

This application is to dispose of our salt water produced in the Inbe (Penn.) Field and Bagley (Penn.) North Field. We propose to inject our own produced water in the above-mentioned fields but also anticipate taking water eventually from other operators in the North Bagley Area to help defray the cost of re-entry.

In compliance with Section C, Rule 701, copies of this application have been sent to the offset operators, land owner, and State Engineer requesting waivers. As soon as executed copies of the waivers are received, they will be forwarded to your office. The minerals under Section 31 are retained by the State of New Mexico (OG 1829). The surface on Section 31 has been deeded.

We respectfully request that administrative approval be granted to dispose of water in the above well.

Very truly yours,

SOUTHLAND ROYALTY COMPANY



C. H. Carr  
District Engineer

CHC:jh