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2011 FEB -8 P 12:37

Carolyn A. Taylor
1702 Curry Rd
Carlsbad, NM 88220

New Mexico Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

February 6, 2011

Re: Basic Energy Services Legal Notice postmarked Jan. 25, 2011
Seeking Conversion of Belco State #002 API #30-015-25433,2310 FNL & 1980 FWL,
Unit "F", Section 20, Township 23 South, Range 28 East, Eddy County New Mexico to a
South Loving Delaware commercial salt water disposal well.

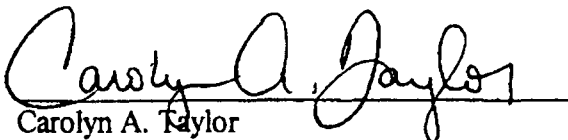
To Whom it May Concern:

Due to the very short notice given and to the fact that I have not been given knowledge how this salt water disposal well will affect my land (for the worse or for the better) now and in the future, I am notifying in writing to Basic Energy Services and New Mexico Oil Conservation Division my opposition and objections at this time to this conversion of a temporarily abandon oil well into a commercial salt water disposal well.

Questions I would like answered:

- 1) How will this affect my property?
- 2) Will property value of my land go up or down?
- 3) Where are the roadways located for the heavy trucks to carry the produced water to and from this disposal well?
- 4) Is there a possibility in the future of a sink hole due to the underground brine water that could and would affect my land?

I am enclosing a copy of the letter that I sent to Basic Energy Services.
I would appreciate my questions being answered. Thank you for your time.


Carolyn A. Taylor

February 14, 2011

Re: Letter of concern on the Belco # 2 API # 3001525433 on February 6, 2011

In regards to the questions you asked in your letter Basic Energy Services is more than happy to explain our intentions as to our project.

Enclosed with this letter please see a lay out of our plans. It will be a state of the art facility where the unloading dock will be half a mile away from your property located on London Road.

It will consist of a 600 X 300' pad that will offer four unloading dock pads constructed of cement with sumps. The gathering system will contain 1500 barrels of storage that will disperse higher tank levels to the main facility. The main battery will facilitate in an environmental safe cement barrier containment located at the Belco # 2 also a half mile away from your property. The pad will be constructed of a 9" base material compressed to 6". There will only be BASiC Energy Services fluid sales trucks utilizing this facility and will be kept private to our needs.

This facility will be fully automated by computers and will be managed by the Fluid Sales Department. The ROW roads will follow the West boundary line of Draper and George Brantley. BASiC Energy Services will be injecting into the South Loving Delaware as the existing Belco # 1. The SLDP is well below the Salado formation and is well protected with cement barriers above and below the Salado formation.

Carolyn, Harvey, The Belco # 1 has been an injection well for several years and has not had an adverse effect on the property.

Please give me a call at our Office 575.746. 2072 or Cell # 575.513.1238 if you have further questions or E-mail me at david.alvarado@basicenergyservices.com

Regards,

David Alvarado
BASiC Energy Services
NM Fluid Sales District Mgr.

Carolyn A. Taylor
1702 Curry Rd.
Carlsbad, NM 88220

Harvey R. Taylor
1702 Curry Rd.
Carlsbad, NM 88220

"Certified Letter"
(7049 2820 0000 6437 2754)

3-14-2011

New Mexico Oil Conservation Division
1220 S. St. Francis L.
Santa Fe, NM 87505

RE: Basic Energy Salt Water Disposal
Belco State #002 API# 30-015-2543
2310 FNL & 1980 FNL, Unit "F" Sec 20
Township 23 S Range 28 E. Eddy County NM

To Whom It May Concern:

I have very serious concerns with your proposal. My property begins within 683 ft of this location. I feel my home would be at risk in the event of an accident from the location of the injection point.

I require assurances that precautions will be taken to ensure that no H2S will drift to my home via a broken line. I propose some type of warning system installed for the protection of near by residence.

I am also greatly concerned with casing integrity. My neighbors have numerous water wells which we are dependent on. I would also propose MIT Tests be conducted on a quarterly basis. In additions I also recommend a protective shed around well head between my home and injection point as a safe guard against pressure line rupture.

Thank You,



John Hines

P.O. Box 1011

LOVING, NM 88256