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May 28, 1996

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

Bureau of Land Management
Albuquerque District Office
435 Montano N.E.
Albuquerque, New Mexico 87107

Attn: Robert Kent

Re: Energy Development Corporation
San Isidro (Shallow) Unit Well No. 7-11
NE $\frac{1}{4}$ SW $\frac{1}{4}$ of § 7, Township 20 North, Range 2 West
Sandoval County, New Mexico

Dear Mr. Kent:

By letter dated January 24, 1996 from Brian Wood of Permits West, Inc., the BLM was notified of the application Energy Development Corporation (EDC) filed at the New Mexico Oil Conservation Division (OCD) to convert the above well to salt water disposal. The application was heard on March 21, 1996. However, the case was subsequently re-advertised to reflect that EDC also sought to have the Menefee interval of the Mesaverde formation underlying the property described below designated as an "Exempt Aquifer" pursuant to OCD Rule 701.E and the Federal Underground Injection Control Program regulations, contained in 40 CFR Parts 145 and 146:

Township 20 North, Range 2 West
Section 7: W $\frac{1}{2}$ E $\frac{1}{2}$, W $\frac{1}{2}$
Section 18: N $\frac{1}{2}$ NW $\frac{1}{4}$

Township 20 North, Range 3 West
Section 12: E $\frac{1}{2}$ E $\frac{1}{2}$

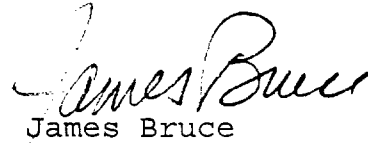
The Environmental Protection Agency requested that EDC notify the BLM in writing of the re-advertised application so that the BLM would be informed of EDC's Exempt Aquifer request. This letter is written to satisfy that request. If the BLM has any comments on or

objections to EDC's Exempt Aquifer request, please notify David Catanach at the OCD (2040 South Pacheco, Santa Fe, New Mexico 87505) in writing by June 21, 1996.

Please call me if you have any questions.

Very truly yours,

HINKLE, COX, EATON, COFFIELD
& HENSLEY, L.L.P.



James Bruce

Attorneys for Energy
Development Corporation

cc: David Catanach