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Willis Ranch  
George and Joyce Willis  
P.O. Box 307  
No. 1 Willis Rd.  
Jal, New Mexico, 88252

Oil Conservation Division  
P.O. Box 2088  
Santa Fe, New Mexico 8750

*Case 12490*

6/27/00

Re: Application for Authority to Inject by Permian Resources Inc. into the Queen field in Sec. 22, T25S, R37E ; Jal, New Mexico

Sir (s),

We would at this time file protest to this particular application. Following are the grounds that this protest is made.

1. Some months ago Permian Resources Inc. was disposing approximately 200 barrels of produced water into the Rice Engineering Operating system located within a mile of this area. Permian Resources was hauling approximately the same amount of produced water from the field. It seems that Permian Resources is looking to dispose produced water rather than increase oil recovery especially since there is approximately the same amount of water being used as was being disposed of. While there may be a small possibility that recovery may be enhanced it would remain suspect that the amount of water needed should be much greater. Arco is at present water flooding a system a few miles east of this proposed site and is injecting considerably more water into the field. The number of wells that Arco is producing does not seem to be many more than is in the field operated by Permian Resources Inc. .

2. There exists within this area or within a one mile radius several disposal wells. Disposal is available and certainly much more affordable than hauling out produced water. Environmently it would be safer since the system is working on a vacuum rather than having to inject with pressure. We believe that disposal is being made into the Queen.

3. There are several livestock water wells within a one mile radius of this proposed injection site. One well has tested to above 12,000 ppm TDS with a concentration of more than 1000 ppm of salts. An injection well without the safeguards that is afforded to a disposal well could well mean that further contamination is eminent. One livestock water well is not farther than 1000 ft. from the area. Further contamination

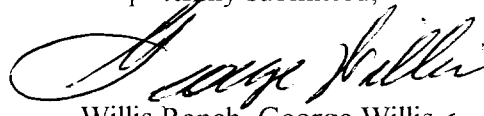
of the livestock water well would certainly mean that we could well lose the water that we need for our cattle. We recognize the right that the mineral owner has to recovery of the mineral however we also have a right to the water that allows us to utilize the surface right of grazing as guaranteed by the constitution of the State of New Mexico. We are not planning to sell this property and want it to remain in production for cattle and thereby our livelihood for as long as there is someone from our family to ranch. This is fee surface and is owned by us.

4. This system has never been part of an enhanced recovery system nor have any adequate proposals been made to date. We think that proof of such a system would indeed seem lacking.

Attached is a copy of the communication from Permian Resources Inc. notifying us of their intent to inject along with a copy of the certified envelope with the date of the receipt of the envelope and letter.

Thank you in advance for allowing us to share our concerns and to protest this proposal. We look forward to hearing from you.

Respectfully submitted,

  
Willis Ranch, George Willis (owner)