

THORNTON OPERATING CORPORATION
Oil & Gas Exploration

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April 10, 1996

OIL CON. DIV.
DIST. 2

Mr. Stan Mayo
Roswell Resource Area Office
P O Drawer 1857
Roswell, NM 88202

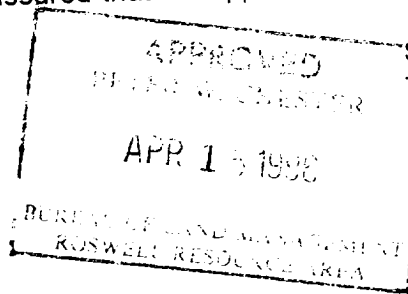
Re: Anchor Deep Unit NMNM-91066X

Dear Mr. Mayo:

Pursuant to your Notice of Incidents of Noncompliance NM-066-96-SM-113, we are hereby applying for permission to dispose of produced water from all Anchor Deep Unit wells (Anchor Deep Unit wells No.1 & 2) into the disposal well situated at 2,270' from the South Line and 520' from the East Line of Section 28, Township 13 South, Range 29 East, NMPM. Said disposal well is 100% owned by King Camp Water Disposal, Ltd., a New Mexico Limited Partnership and is operated by Thornton Operating Corporation on behalf of said owner.

Produced water is disposed of by injection (gravity drainage) into the Fusselman Formation 9,905 to 9,940 feet from original Kelly Bushing pursuant to Federal Right-of-way NMNM - 88546 and State of New Mexico Oil Conservation Division Administrative Order SWD-464. The site has no specific name. However, it was originally drilled and completed as the McClellan Oil Corporation Stevens Federal No. 3 oil well (from Devonian Formation) prior to it being converted to a water disposal well.

You may be assured that we appreciate your consideration of this application.



Sincerely,
THORNTON OPERATING CORPORATION

Robert L. Thornton, president