

N. M. CH. 100-10-1000  
P. O. Box 1857  
Roswell, New Mexico 88201

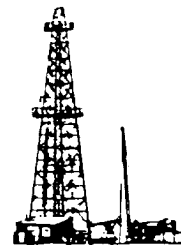
(FILE CC-4)



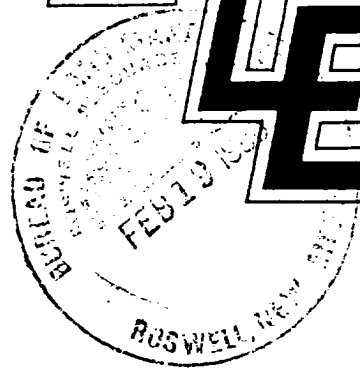
LAYTON



ENTERPRISES, INC.



3103 - 79TH STREET • LUBBOCK, TEXAS 79423 • 806/745-4638



June 28, 1987

Bureau of Land Management  
P. O. Box 1857  
Roswell, New Mexico 88201

#1

Re: El Zorro "B" Federal Lease  
NM 53388

Gentlemen:

The following information is submitted for approval to dispose of  
produced water from the captioned lease:

Location of well (currently under completion): 760'FSL, 560'FEL,  
Sec.24, T8S, R36E  
Roosevelt Co., NM

Location of tank battery: NENE $\frac{1}{4}$ , Sec.25, T8S, R36E  
Roosevelt Co., NM

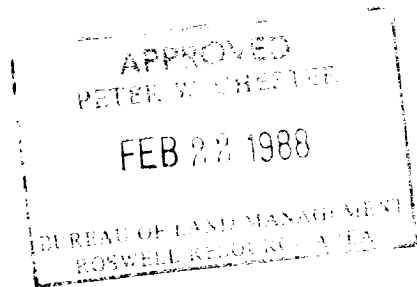
Producing Formation: Bough "C" (Pennsylvanian)

Anticipated Average Daily Water Production: 100 Bbls.

Disposal Company: Sage Energy, Inc.  
NENE $\frac{1}{4}$ , Sec.32, T8S, R36E  
Roosevelt County, NM

Disposal Method: Pipeline (Alternate: Commercial Trucker Available)

Per action of the BLM Roswell office of May 26, 1987, production from this  
lease has been approved for commingling with production from our El Zorro  
Federal Lease (NM53389) at which the tank battery is located.



Sincerely,

Bradley W. Layton  
Vice President