N. H. OIL CONS. COMMISSION P. O. BOX 1980 HOBBS, NEW MEXICO 88240

Hondo Oil & Gas npany

Box 2208 Roswell, New Mexico 88202 (505)625-8700



July 6, 1987

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

RE: Mona Federal #3 Sec. 17, T-8S, R-33E Chaves County, New Mexico

NM-0174830A

Gentlemen:

This letter will serve as Hondo Oil and Gas Company's application for approval on the method of water disposal for the above captioned well.

The Mona Federal #3 produces approximately 5 barrels of water per day which is pumped to a nearby coastal Waterflood System. Any excess water is then hauled by Hardin Houston Trucking to a commercial system, New Mexico Salt Water System, located off County Road 508, 10 miles west of Crossroads, New Mexico.

If you should have any further questions concerning this matter, please call us.

Very truly yours,

Ernie Buttres

Ernie Buttross Petroleum Engineer

xc: Bruce Stubbs Well File

APPROVED BUREAU OF LAND MANAGEMENT ROSWELL RESOURCE AREA