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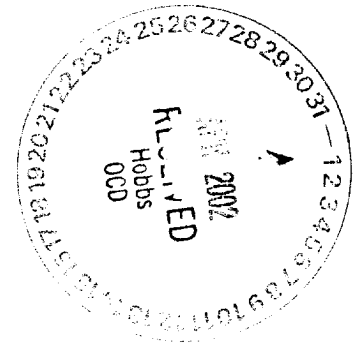
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F.L. HEIDEL
(1913-1985)

March 27, 2002

Mr. C. W. Trainer
P. O. Box 754
Midland, Texas 79702

**Re: Application For Authorization To
Inject Produced Water for Disposal
by Completion of State GA #6,
660' FNL and 990' FWL, Unit D,
Section 16, Township 15 South,
Range 36 East, Lea County, N. M.
as a Disposal Well (Application)**



Dear C. W.,

Thank you for telephoning me earlier today to discuss the questions and concerns of our client, U. S. Alexander, in connection with your above captioned Application.

Pursuant to our discussion, I will submit a proposed agreement which is acceptable to U. S. Alexander for your consideration in connection with potential surface use and damages; however, due to the long weekend coming up, i. e. Good Friday and Easter weekend, I will not be able to submit the proposal before approximately the middle of next week.

Although I do not presently have a copy of the oil and gas leases which exist or may exist for the two producing wells (State GB #1, Unit C and State GA #1, Unit F, both in Section 16, Township 15 South, Range 36 East, Lea County, New Mexico) and for the proposed disposal well (State GA #6, Unit D), the information in your Application indicates a plan which includes disposal of water produced off lease. If the foregoing is correct, Mr. Alexander has problems with your doing so. If the have copies of oil and gas leases which are presently in full force and effect for the above three wells, it would be helpful if you would provide me with copies. Also as I mentioned, Mr. Alexander has a farm irrigation water well located in Section 16. I do not

presently know: (1) which part of Section 16 has water rights appurtenant; (2) what plans may exist for farming same; and (3) how your proposed operation will impact any farm land or farming operations.

U. S Alexander objects to your Application described above at this present time for various reasons, including those set forth above; however, he is willing to work with you toward entering into a mutually acceptable agreement.

Because you are seeking NMOCD administrative approval of your Application and the fifteen (15) day period in which U. S. Alexander has to register his objection is near the end, I am sending a copy of this letter to NMOCD as indicated below in order to preserve his rights.

Very Truly Yours,

HEIDEL, SAMBERSON, NEWELL, COX & MCMAHON

By: 
C. Gene Samberson

CGS:dr

cc: Ms. Lori Wrotenbery, Director
✓ Mr. Chris Williams
U. S. Alexander

