

STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION

HOBBS DISTRICT OFFICE

August 3, 1987

POS1 OFFICE BOX 1980 HOBBS, NEW MEXICO 88241-1980 (505) 393-6161

Mr. George A. Teer Bass Enterprises Production Company P.O. Box 2760 Midland, TX 79702

Re: Application for WaterDisposal Pit State of New Mexico Well #2 Section 8, T18S, R34E

Gentlemen:

Your letter requesting approval of surface disposal of produced water from the above-referenced well has been received. It is not necessary to have an approved pit for the disposal of produced water as long as the water production does not exceed one barrel per day per 40-acre tract as provided by R-3221 (4).

It is noted that the water production from your State of New Mexico Well #2 meets the requirements established by R-3221 and that your pit is fenced.

Very truly yours,

OIL CONSERVATION DIVISION

Jerry Sexton Supervisor, District I

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GARREY CARRUTHERS