



GOLD STAR SWD LTD. CO

**(505) 394-2504 FAX (505) 394-2560 801 MAIN P.O. BOX 1480
EUNICE, NEW MEXICO 88231**

August 18, 1995

Arch Petroleum, Inc.
10 Desta Drive, Suite 420 E
Midland, Texas 79705

Gentlemen:

Enclosed is a complete copy of our application to the New Mexico Oil Conservation Division for Administrative Approval of our proposed produced water disposal well. We propose to convert a shut-in producing well for Salt Water Disposal located 330' FNL and 2310' FEL of Section 28, Township 22 South, Range 37 East, Lea County, New Mexico. This well will be designated as the Gold Star SWD Ltd. Co. Christmas No. 3. It will be completed to dispose of produced water into the San Andres formation, through perforations from 3905' to 6002'.

As an offset oil and gas leaseholder, you are being notified of our application in compliance with New Mexico Oil Conservation Division regulations.

Sincerely,

Royce Crowell
Managing Member

Certified Mailing Number
Z 109 050 185