



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

6/15/01

Lori Wrotenbery
Director
Oil Conservation Division

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

SWD-805

RE: Proposed:

MC _____
DHC _____
NSL _____
NSP _____
SWD X _____
WFX _____
PMX _____

Gentlemen:

I have examined the application for the:

Quay Valley Inc McDonald Federal # 1-I, 21-265-32e
Operator Lease & Well No. Unit S-T-R 30-025-30660

and my recommendations are as follows:

OK Paul Smith

Yours very truly, ,

Chris Williams

Chris Williams
Supervisor, District 1

MCDONALD FEDERAL
WELL NO. 1
C-108

QUAY VALLEY, INC.

**MCDONALD FEDERAL NO. 1
APPLICATION FOR AUTHORIZATION TO INJECT
SECTION 21, T-26-S, R-32-E
LEA COUNTY, NEW MEXICO**

LIST OF EXHIBITS

FORM C-108

EXHIBIT A	MAP REQUIRED BY PARAGRAPH V
EXHIBIT B	TABULAR SUMMARY AND SCHEMATICS REQUIRED BY PARAGRAPH VI
EXHIBIT C	DATA SHEET ON PROPOSED OPERATION REQUIRED BY PARAGRAPH VII
EXHIBIT D	LITHOLOGIC AND GEOLOGICAL DATA PARAGRAPH VIII
EXHIBIT E	DATA SHEET ON PROPOSED STIMULATION PROGRAM BY PARAGRAPH IX
EXHIBIT F	LOGS OF INJECTION WELLS - PARAGRAPH X
EXHIBIT G	WATER ANALYSIS OF PRODUCED WATER TO BE RE- INJECTED - PARAGRAPH XI
EXHIBIT H	AFFIRMATIVE STATEMENT PER PARAGRAPH XII
EXHIBIT I	NOTICE REQUIREMENTS - PARAGRAPH XIII

APPLICATION FOR AUTHORIZATION TO INJECT

PURPOSE : _____ Secondary Recovery _____ Pressure Maintenance X Disposal _____ Storage
Application qualifies for administrative approval? X Yes _____ No

II. OPERATOR: QUAY VALLEY, INC

ADDRESS : P. O. BOX 10280 MIDLAND TX 79702-7280

CONTACT PARTY : STELLA SWANSON, CPL PHONE : (915)687-4220

III. WELL DATA: Complete the data required on the reverse side of this form for each well processed for injection.
Additional sheets may be attached if necessary.

IV. Is this an expansion of an existing project? _____ Yes X No
If yes, give the Division order number authorizing the project _____

V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.

VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.

VII. Attach data on the proposed operation, including:

1. Proposed average and maximum daily rate and volume of fluids to be injected;
2. Whether the system is open or closed;
3. Proposed average and maximum injection pressure;
4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and
5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).

*VIII. Attach appropriate geological data on the injection zone including appropriate lithologic detail, geological name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.

IX. Describe the proposed stimulation program, if any.

*X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted.)

*XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.

XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground source of drinking water.

XIII. Applicants must complete the 'Proof of Notice' section on the reverse side of this form.

XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

NAME: STELLA SWANSON, CPL TITLE: PRESIDENT

SIGNATURE:  DATE: 05/15/2001

* If the information required under Sections VI, VII, X, and XI above has been previously submitted, it need not be resubmitted. Please show the date and circumstance of the earlier submittal: _____

DISTRIBUTION: Original and one copy to Santa Fe with one copy to the appropriate District Office

III. WELL DATA

A. The following well data must be submitted for each injection well covered by this application. The data must be both in tabular and schematic form and shall include:

- (1) Lease name; Well No.; Location by Section, Township, and Range; and footage location within the section.
- (2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement, and how such top was determined.
- (3) A description of the tubing to be used including its size, lining material, and setting depth.
- (4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

Division District Offices have supplies of Well Data Sheets which may be used or which may be used as models for this purpose. Applicants for several identical wells may submit a "typical data sheet" rather than submitting the data for each well.

B. The following must be submitted for each injection well covered by this application. All items must be addressed for the initial well. Responses for additional wells need be shown only when different. Information shown on schematics need not be repeated.

- (1) The name of the injection formation and, if applicable, the field or pool name.
- (2) The injection interval and whether it is perforated or open-hole.
- (3) State if the well was drilled for injection or, if not, the original purpose of the well.
- (4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.
- (5) Give the depth to and name of the next higher and next lower oil or gas zone in the area of the well, if any.

XIV. PROOF OF NOTICE

All applicants must furnish proof that a copy of the application has been furnished, by certified or registered mail, to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location.

Where an application is subject to administrative approval, a proof of publication must be submitted. Such proof shall consist of a copy of the legal advertisement which was published in the county in which the well is located. The contents of such advertisement must include:

- (1) The name, address, phone number, and contact party for the applicant;
- (2) The intended purpose of the injection well; with the exact location of single wells or the Section, Township, and Range location of multiple wells;
- (3) The formation name and depth with expected maximum injection rates and pressures; and
- (4) A notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, 2040 South Pacheco, Santa Fe, NM 87505 within 15 days.

NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER PROOF OF NOTICE HAS BEEN SUBMITTED.

NOTICE: Surface owners or offset operators must file any objections or requests for hearing of administrative applications within 15 days from the date this application was mailed to them.

INJECTION WELL DATA SHEET

OPERATOR: QUAY VALLEY, INC.

WELL NAME & NUMBER: MCDONALD FEDERAL NO. 1

WELL LOCATION: 2310' FSL & 890' FEL

UNIT LETTER I SECTION 21 TOWNSHIP 26-S RANGE 32-E

FOOTAGE LOCATION

WELLBORE SCHEMATIC

QUAY VALLEY, INC

MCDONALD FEDERAL #1

(API# 30-025-30660)

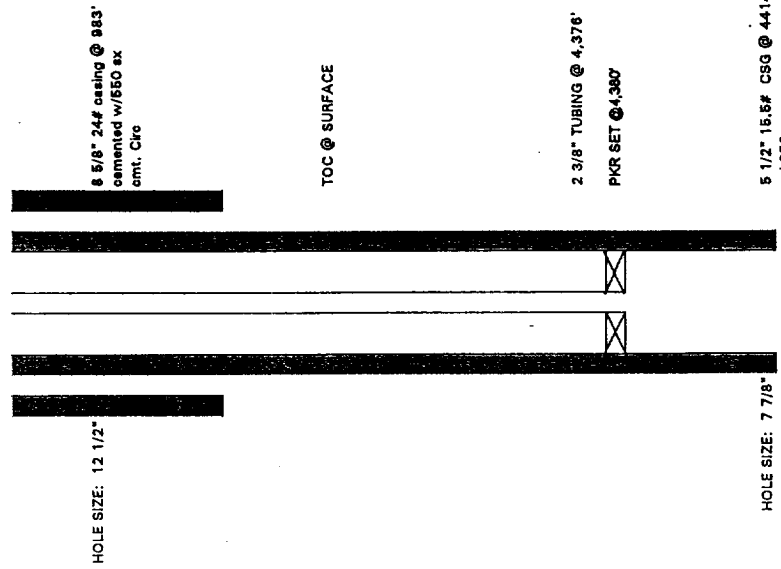
890 FSL & 2310 FEL
Section 21, T-26-S, R-32-E
Lee County, New Mexico

SPUD DATE: 9/22/89

COMPLETION: 11/2/89

Drilling comments:

Completion Comments:



TD 4440'

WELL CONSTRUCTION DATASurface Casing

Hole Size: 12 1/2" Casing Size: 8 5/8"

Cemented with: 550 sx. or ft

Top of Cement: SURFACE Method Determined: CIRCULATED

Intermediate Casing

Hole Size: Casing Size:

Cemented with: sx. or ft

Top of Cement: Method Determined:

Production Casing

Hole Size: 7 7/8" Casing Size: 5 1/2"

Cemented with: 950 sx. or ft

Top of Cement: SURFACE Method Determined: CIRCULATED

Total Depth: 4,440'

Injection Interval

4,415 feet to 4,440

(Peforated or Open Hole; indicated which)

INJECTION WELL DATA SHEETTubing Size: 2 3/8" @ 4.376 Lining Material: _____Type of Packer: GUIBERSON 5 1/2"Packer Setting Depth: 4.380'

Other Type of Tubing/Casing Seal (if applicable): _____

Additional Data

1. Is This a new well drilled for injection? _____ Yes ☒ No

If no, for what purpose was the well originally drilled? OIL

2. Name of the Injected Formation: DELAWARE SANDS

3. Name of Field or Pool (if applicable): EAST MASON (DELAWARE)

4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e. sacks of cement or plug(s) used. NO

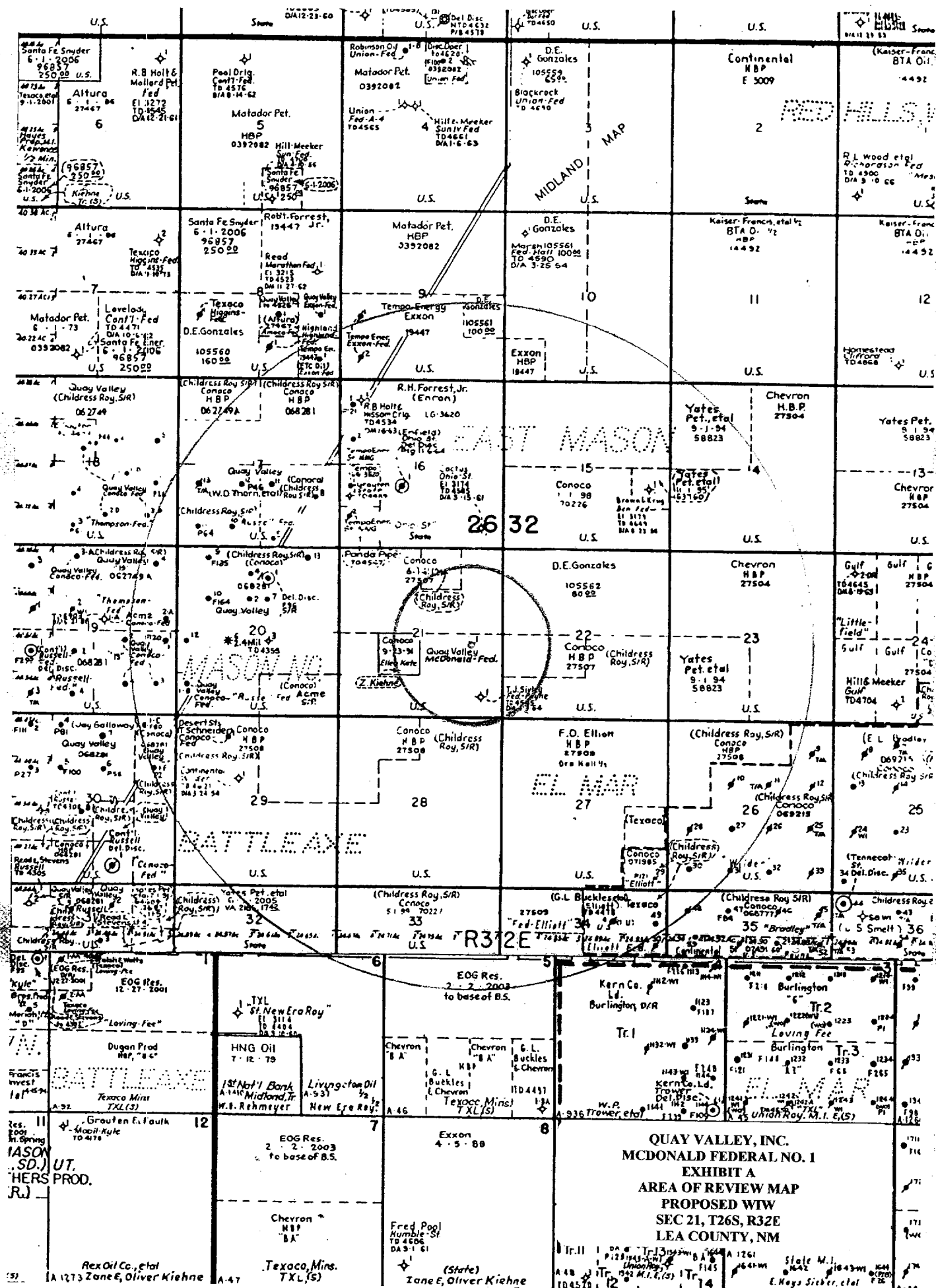
5. Give the name and depths of any oil or gas zones underlying or overlying the proposed injected zone in this area: N/A

QUAY VALLEY, INC.

**MCDONALD FEDERAL NO. 1
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EXHIBIT A

MAP



QUAY VALLEY, INC.

**MCDONALD FEDERAL NO. 1
APPLICATION FOR AUTHORIZATION TO INJECT
SECTION 21, T-26-S, R-32-E
LEA COUNTY, NEW MEXICO**

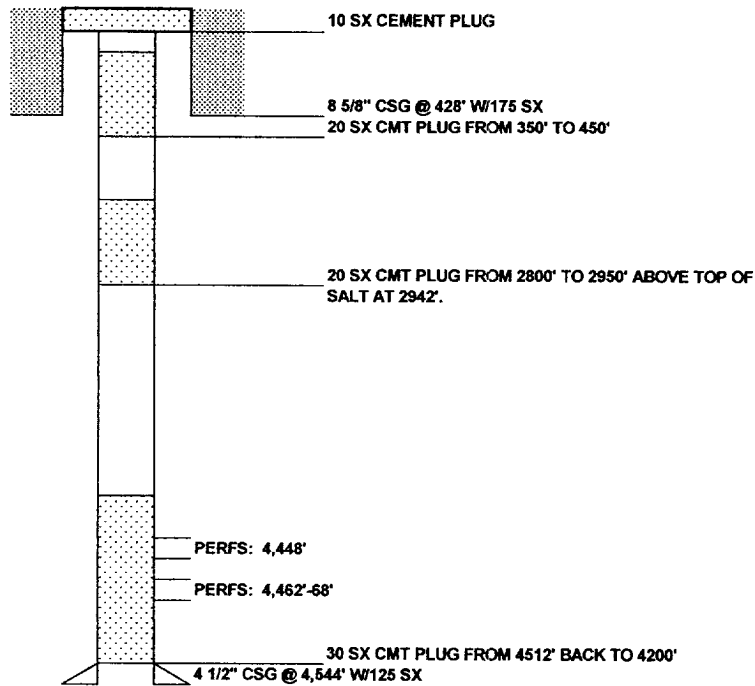
EXHIBIT B

TABULAR SUMMARY AND SCHEMATICS

[illegible]

T. J. SIVLEY
PAYNE-FEDERAL #1
660' FSL & 660' FEL
SECTION 21, T-26-S, R-32-E
LEA COUNTY, NEW MEXICO

SPUD DATE: 02/28/64
P & A: 04/03/64
TD: 4,544'
PD: 4,400'



On April 3, 1964 a 30 sack cement plug was spotted from a total depth of 4512' back to 4200', cementing off perforations in 4-1/2" casing located at 4448' and from 4462-68', 4-1/2" casing was then shot off at 3890' for recovery.

Two 20 sack cement plugs were then spotted through 4-1/2" casing as it was being pulled. These plugs were from 2800' to 2950' above top of salt at 2942', and from 350' to 450' bridging base of 8-5/8" surface casing set at 428'. Mud spotted and circulated between plugs.

On April 4 a 10 sack cement plug was placed in top of 8-5/8" surface casing.

QUAY VALLEY, INC.
EXHIBIT B
P/A SCHEMATIC
LEA COUNTY, NEW MEXICO



QUAY VALLEY, INC.

**MCDONALD FEDERAL NO. 1
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SECTION 21, T-26-S, R-32-E
LEA COUNTY, NEW MEXICO**

EXHIBIT C

DATA ON PROPOSED OPERATION

- 1. PROPOSED AVERAGE AND MAXIMUM DAILY RATE AND VOLUME OF FLUIDS TO BE INJECTED:**

**AVERAGE DAILY RATE OF 250 BWIPD
MAXIMUM DAILY RATE OF 500 BWIPD**

- 2. SYSTEM IS CLOSED.**

- 3. PROPOSED AVERAGE INJECTION PRESSURE: 580 PSIG.
PROPOSED MAXIMUM INJECTION PRESSURE: 950 PSIG.**

**THE PROPOSED AVERAGE AND MAXIMUM INJECTION PRESSURES
ARE TO BE DETERMINED FROM STEP RATE TESTS TO BE RUN
AFTER THE WELL IS RE-ENTERED.**

- 4. (A) SOURCE OF INJECTION FLUID:
PRODUCED WATER FROM AND INTO THE DELAWARE
SANDS.**
**(B) ANALYSIS OF FORMATION FLUID:
NOT APPLICABLE - RE-INJECTED PRODUCED WATER.**
- 5. ZONE OF DISPOSAL IS PRODUCTIVE OF OIL AND GAS WITHIN ONE
MILE OF PROPOSED DISPOSAL WELL.**

QUAY VALLEY, INC.

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EXHIBIT D

LITHOLOGIC AND GEOLOGICAL DATA ON INJECTION ZONE

The proposed injection well is the McDonald Federal No. 1 well, with an open hole interval of 4,415' to 4,464'. The open hole interval is in the Ramsey Sand member of the Bill Canyon Formation of the Delaware Mountain group, Guadalupian Series of Upper Permian age.

The McDonald Federal No. 1 well encountered 30 feet of Ramsey Sand, which consists of two well-bedded sand lobes. The sand is described as a light gray to gray green, fine-grained, sub-angular sandstone. There is no evidence of fracturing.

In the area of the McDonald Federal well, the structure on the top of the Ramsey Sand dips to the east at a rate of 100 feet per mile. The sand trends northeast southwest through the area.

QUAY VALLEY, INC.

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EXHIBIT F

LOGS OF INJECTION WELL



QUAY VALLEY, INC.

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SECTION 21, T-26-S, R-32-E
LEA COUNTY, NEW MEXICO**

EXHIBIT G

WATER ANALYSIS

N/A

QUAY VALLEY, INC.

**MCDONALD FEDERAL NO. 1
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SECTION 21, T-26-S, R-32-E
LEA COUNTY, NEW MEXICO**

EXHIBIT H

AFFIRMATIVE STATEMENT

**QUAY VALLEY, INC. HAS EXAMINED AVAILABLE GEOLOGIC AND
ENGINEERING DATA AND FINDS NO EVIDENCE OF OPEN FAULTS OR
ANY OTHER HYDROLOGIC CONNECTION BETWEEN THE DISPOSAL
ZONE AND ANY UNDERGROUND SOURCE OF DRINKING WATER.**


WILLIAM G. WATSON, GEOLOGIST

QUAY VALLEY, INC.

**MCDONALD FEDERAL NO. 1
APPLICATION FOR AUTHORIZATION TO INJECT
SECTION 21, T-26-S, R-32-E
LEA COUNTY, NEW MEXICO**

EXHIBIT I

PROOF OF NOTICE

PURSUANT TO SECTION XIII OF FORM C-108.

APPLICANT HAS MAILED CERTIFIED COPIES OF THE APPLICATION TO THE FOLLOWING:

SURFACE OWNERS:

**BUREAU OF LAND MANAGEMENT
ROSWELL DISTRICT RESOURCE AREA HEADQUARTERS
2909 WEST SECOND STREET
ROSWELL, NEW MEXICO 88201**

ATTN: ARMANDO LOPEZ

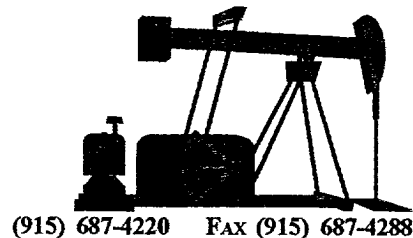
LEASEHOLD OPERATORS WITHIN ONE-HALF MILE:

**CONOCO, INC.
10 DESTA DRIVE
MIDLAND, TEXAS 79705**

**FEDERAL ABSTRACT COMPANY
ATTENTION: DANIEL E. GONZALES
2019 GALISTEO STREET, SUITE D1
SANTA FE, NEW MEXICO 87505**

QUAY VALLEY, INC.

1608 N. BIG SPRING STREET
P.O. BOX 10280
MIDLAND, TEXAS 79702



May 22, 2001

CERTIFIED MAIL 7099 3400 0017 1713 0363

Bureau of Land Management
Roswell District Resource Area Headquarters
2909 West Second Street
Roswell, New Mexico 88201

Attn: Armando Lopez

Re: Application For Authorization To Inject
McDonald Federal No. 1
Lea County, New Mexico

Dear Mr. Lopez:

Enclosed please find copies of our Application For Authorization To Inject and plat of the location and surrounding area. Should you need anything further, please advise. Thank you.

Sincerely,

Juanita I. Michaelis
Juanita Michaelis

Enclosures

7099 3400 0017 1713 0363

U.S. Postal Service	
CERTIFIED MAIL RECEIPT	
(Domestic Mail Only; No Insurance Coverage Provided)	
Postage	\$ 3.34
Certified Fee	1.90
Return Receipt Fee (Endorsement Required)	1.50
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 3.74
Re	Armando Lopez
Str	Bureau of Land Management
Cit	Roswell District Resource Area Hdq.
	2909 West Second Street
	Roswell, New Mexico 88201

PS

or Instructions

MIDLAND, TX DOWNTOWN STA
MAY 22 2001
Postage Here

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- ☐ Complete items 1 and/or 2 for additional services. Complete items 3, 4a, and 4b.
- ☐ Print your name and address on the reverse of this form so that we can return this card to you.
- ☐ Attach this form to the front of the mailpiece, or on the back if space does not permit.
- ☐ Write "Return Receipt Requested" on the mailpiece below the article number.
- ☐ The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- 1. ☐ Addressee's Address
- 2. ☐ Restricted Delivery

3. Article Addressed to:

Armando Lopez
Bureau of Land Management
Roswell District Resource Area Hdq.
2909 West Second Street
Roswell, New Mexico 88201

4a. Article Number

7099 3400 0017 1713 0363

4b. Service Type

- ☐ Registered ☒ Certified
- ☐ Express Mail ☐ Insured
- ☐ Return Receipt for Merchandise ☐ COD

7. Date of Delivery

5-24-01

5. Received By: (Print Name)

6. Signature (Addressee or Agent)

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994

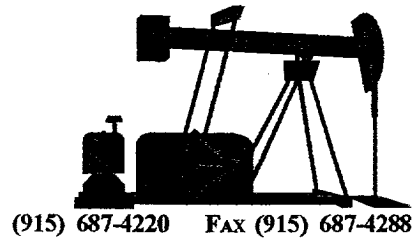
102595-99-B-0223

Domestic Return Receipt

Thank you for using Return Receipt Service.

QUAY VALLEY, INC.

1608 N. BIG SPRING STREET
P.O. Box 10280
MIDLAND, TEXAS 79702



May 22, 2001

CERTIFIED MAIL 7099 3400 0017 1713 0349

Conoco Inc.
10 Desta Drive
Midland, Texas 79705

Re: Application For Authorization To Inject
McDonald Federal No. 1
Lea County, New Mexico

Gentlemen:

Enclosed please find copies of our Application For Authorization To Inject and plat of the location and surrounding area. Should you need anything further, please advise. Thank you.

Sincerely,

Juanita I. Michaelis
Juanita Michaelis

Enclosures

U.S. Postal Service CERTIFIED MAIL RECEIPT (Domestic Mail Only; No Insurance Coverage Provided)

Postage	\$.34
Certified Fee	1.90
Return Receipt Fee (Endorsement Required)	1.50
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 3.74



Rec Conoco, Inc.
Str 10 Desta Drive
City Midland, Texas 79705

PS

or Instructions

7099 3400 0017 1713 0349

is your return address completed on the reverse side?

SENDER:

- ☐ Complete items 1 and/or 2 for additional services.
- ☐ Complete items 3, 4a, and 4b.
- ☐ Print your name and address on the reverse of this form so that we can return this card to you.
- ☐ Attach this form to the front of the mailpiece, or on the back if space does not permit.
- ☐ Write "Return Receipt Requested" on the mailpiece below the article number.
- ☐ The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

- 1. ☐ Addressee's Address
- 2. ☐ Restricted Delivery

3. Article Addressed to:

Conoco, Inc.
10 Desta Drive
Midland, Texas 79705

4a. Article Number

7099 3400 0017 1713 0349

4b. Service Type

- ☐ Registered
- ☒ Certified
- ☐ Express Mail
- ☐ Insured
- ☐ Return Receipt for Merchandise
- ☐ COD

7. Date of Delivery

5. Received By: (Print Name)

Dora Cadena

6. Signature (Addressee or Agent)

Dora Cadena

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994

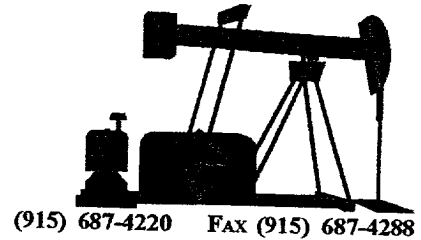
102595-99-B-0223

Domestic Return Receipt

Thank you for using Return Receipt Service.

QUAY VALLEY, INC.

1608 N. BIG SPRING STREET
P.O. Box 10280
MIDLAND, TEXAS 79702



May 22, 2001

CERTIFIED MAIL 7099 3400 0017 1713 0356

Federal Abstract Company
2019 Galisteo Street, Suite D1
Santa Fe, New Mexico 87505

Attn: Daniel E. Gonzales

Re: Application For Authorization To Inject
McDonald Federal No. 1
Lea County, New Mexico

Dear Mr. Gonzales:

Enclosed please find copies of our Application For Authorization To Inject and plat of the location and surrounding area. Should you need anything further, please advise. Thank you.

Sincerely,

Juanita J. Michaelis
Juanita Michaelis

Enclosures

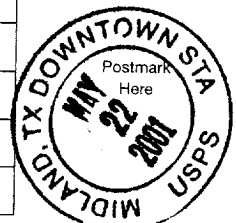
U.S. Postal Service

CERTIFIED MAIL RECEIPT

(Domestic Mail Only; No Insurance Coverage Provided)

9550 0356
ETLT 1713
2100 0046
3400 6607

Postage	\$.34
Certified Fee	1.90
Return Receipt Fee (Endorsement Required)	1.50
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 3.74



Recip: Daniel E. Gonzales
Stree: Federal Abstract Company
City: 2019 Galisteo Street, Suite D1
Santa Fe, New Mexico 87505

PS Fe

Instructions

Is your RETURN ADDRESS completed on the reverse side?

SENDER: <input type="checkbox"/> Complete items 1 and/or 2 for additional services. <input type="checkbox"/> Complete items 3, 4a, and 4b. <input type="checkbox"/> Print your name and address on the reverse of this form so that we can return this card to you. <input type="checkbox"/> Attach this form to the front of the mailpiece, or on the back if space does not permit. <input type="checkbox"/> Write "Return Receipt Requested" on the mailpiece below the article number. <input type="checkbox"/> The Return Receipt will show to whom the article was delivered and the date delivered.		I also wish to receive the following services (for an extra fee): 1. <input type="checkbox"/> Addressee's Address 2. <input type="checkbox"/> Restricted Delivery	
3. Article Addressed to: Daniel E. Gonzales Federal Abstract Company 2019 Galisteo Street, Suite D1 Santa Fe, New Mexico 87505		4a. Article Number 7099 3400 0017 1713 0356	
		4b. Service Type <input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified <input type="checkbox"/> Express Mail <input type="checkbox"/> Insured <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> COD	
		7. Date of Delivery DEC 5-24-01	
5. Received By: (Print Name) Mary M. Gonzales		8. Addressee's Address (Only if requested and fee is paid)	
6. Signature (Addressee or Agent) <i>Mary M. Gonzales</i>			

Thank you for using Return Receipt Service.

QUAY VALLEY, INC.

**MCDONALD FEDERAL NO. 1
APPLICATION FOR AUTHORIZATION TO INJECT
SECTION 21, T-26-S, R-32-E
LEA COUNTY, NEW MEXICO**

EXHIBIT I-2

May 17, 2001

Lovington Daily Leader
Attn: Debbie
(505) 396-2844
(505) 396-5775 Fax

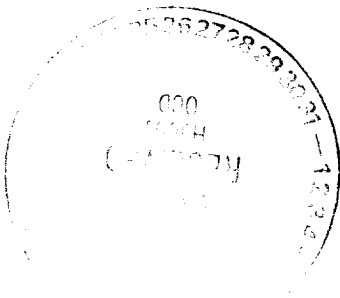
LEGAL NOTICE

Date: *Once a week for three weeks*

Notice is hereby given that QUAY VALLEY, INC. filed intention to convert the McDonald Federal No. 1 well located 2310' FSL & 890' FEL Section 21, T-26-S, R38-E, Lea County, New Mexico into a salt water disposal well. The maximum injection rates will be 500 BWIPD at a maximum injection pressure of 950 PSIG into the Delaware Sands formation.

Any person, firm, association, corporation, the State of New Mexico or the United States of America, deeming that the granting of the above application will impair or be detrimental to their water rights, may protest in writing the proposal set forth in said application. The protest shall set forth all protestant's reasons why the application should not be approved. Objections or requests for a hearing must be filed with the Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico, 87504, within 15 days.

Please address questions to Stella Swanson, CPL, QUAY VALLEY, INC., P. O. Box 10280, Midland, Texas 79702 or call (915) 687-4220.



Affidavit of Publication

[illegible]

Joyce Clemens being first duly sworn on oath deposes and says that she is Advertising Director of **THE LOVINGTON DAILY LEADER**, a daily newspaper of general paid circulation published in the English language at Lovington, Lea County, New Mexico; that said newspaper has been so published in such county continuously and uninterruptedly for a period in excess of Twenty-six (26) consecutive weeks next prior to the first publication of the notice hereto attached as hereinafter shown; and that said newspaper is in all things duly qualified to publish legal notices within the meaning of Chapter 167 of the 1937 Session Laws of the State of New Mexico.

That the notice wh ch is hereto attached, entitled

Legal Notice

and numbered _____ was published in a regular and entire issue of **THE LOVINGTON DAILY LEADER** and not in any supplement thereof, once each week on the same day of the week, for three (3) consecutive weeks, beginning with the issue of May 18, 2001 and ending with the issue of June 1, 2001.

And that the cost of publishing said notice is the sum of
\$ 67.24 _____ which sum has been (Paid) as
Court Costs.

Joyce Clemens, Advertising Manager

Subscribed and sworn to before me this 1st day of
June, 2001.

Debbie Schilling
Notary Public, Lea County, New Mexico
My Commission Expires June 22, 2002

LEGAL NOTICE

Notice is hereby given that QUAY VALLEY, INC. filed intention to convert the McDonald Federal No. 1 well located 2310' FSL & 890' FEL Section 21, T-26-S R-32-E Lea County, New Mexico into a salt water disposal well. The maximum injection rates will be 500 BWIPD at a maximum injection pressure of 950 PSIG into the Delaware Sands formation.

Any person, firm, association, corporation, the State of New Mexico or the United States of America deeming that the granting of the above application will impair or be detrimental to their water rights, may protest in writing the proposal set forth in said application. The protest shall set forth all protestant's reasons why the application should not be approved. Objections or requests for a hearing must be filed with the Oil Conservation Division, 1220 South St. Francis Drive, Santa Fe, New Mexico, 87504, within 15 days.

Please address questions
to Stella Swanson, CPL
QUAY VALLEY, INC., P.O.
Box 10280 Midland
Texas 79702 or call (915)
681-2220

