

RICE Engineering Corporation

122 WEST TAYLOR

TELEPHONE (505) 393-9174

HOBBS, NEW MEXICO 88240

June 28, 1988

American Exploration Company
2100 RepublicBank Center
700 Louisiana
Houston, Texas 77002-2725

RE: AFE H-479 & H-479A
(Justis SWD System)
SWD Well
SE/4, SW/4, Sec. 26, T25S, R37E
Lea County, New Mexico

Gentlemen :

Rice Engineering Corporation, acting as an agent for the American Exploration Company, and the operator of the Justis Salt Water Disposal System, has applied to the Oil Conservation Division for a permit to inject produced salt water into subsurface strata under Rule 701.

The legal description of the proposed salt water disposal well is as follows :

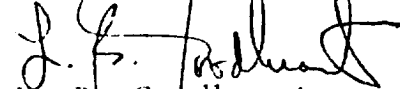
American Exploration Co.-Henry No.2
Unit N, 330 feet from the South line and
1650 feet from the West line of Section 26,
Township 25 South, Range 37 East, N.M.P.M.,
Lea County, New Mexico.

Please find enclosed, for your information, a copy of the application package furnished to the OCD as well as a copy of the legal notice printed in the Hobbs News-Sun dated June 24, 1988.

Should you require additional information regarding this application, please contact our office.

Yours very truly,

RICE ENGINEERING CORPORATION



L. B. Goodheart
Division Manager

SAH
Enclosures