



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

GARREY CARRUTHERS
GOVERNOR

April 13, 1990

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

Sage Energy Company
P.O. Drawer 3068
Midland, TX 79702

Attn: Frances Halzgraf

Re: West Tres Papalotes Penn Unit Waterflood

Gentlemen:

According to Order R-907²~~3~~ Section 29: W/2, Sec. 30: E/2, Sec. 31: E/2,
and Section 32: NW/4 T14S, R34E, were unitized in the formation
commonly known as the West Tres Papalotes Penn Pool.

Also, according to Order R-8505-A your New Mexico 30 State Waterflood
was redesignated as the West Tres Papalotes Penn Unit Waterflood so
it will be necessary for you to file a change of lease name for all
the wells in this project. This should be done by filing Form C-104
for each well changing the lease name and well number.

Also, it is noted that you indicate on Form C-103 filed for the John
Etcheverry Jr. A #2 that it was converted to a SWD well, but you
should correct your records to show this as a water injection well
and it will be in the West Tres Papalotes Penn Unit Waterflood and
reported on your monthly operator's report Form C-115.

If you have questions concerning this, please contact Evelyn Downs
at (505) 393-6161.

Very truly yours,

OIL CONSERVATION DIVISION

Jerry Sexton
Supervisor, District I

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give well a note on injection well