

# Shahara Oil, LLC

207 W. McKay ♦ Carlsbad, NM 88220 ♦ 505-885-5433 ♦ Fax 505-885-4989

March 31, 1999

Mr. David Catanach  
Oil Conservation Division  
PO Box 6429  
Santa Fe, NM 87505

RE: Division Order R-11027  
Case 11973 Reopened 03/18/99  
Beeson "F" Federal Lease Waterflood and Tertiary Recovery Project  
Loco Hills Queen-Grayburg-San Andres Pool  
Eddy County, New Mexico

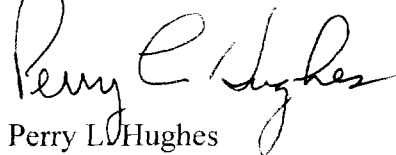
Dear David,

During the subject case, you inquired about the production/injection volumes for Problem Well No. 1, the Yates "A" No. 9 well located in the NW/4 of Section 6-T18S-R30E. Yates "A" No. 9 produced 37 MBO, 472 MBW and had 117 MBW injected into it.

I looked at the volumes produced from and injected into the NW/4 of Section 6 which is located immediately south of the pertinent portion (SW/4 of Section 31) of the Beeson "F" Federal Lease. The attachment shows that 4477 MB of oil and water have been produced from the quarter section while 8721 MBW has been injected into the same area. Therefore, a significant amount more, some 4244 MBW, has been injected into the subject area than has been withdrawn from it. I feel that this offers additional evidence that injection into the SW/4 of Section 31 will not move into Section 6.

Please advise if I can provide any additional information.

Sincerely,

  
Perry L. Hughes  
President

Attachment

cc: Paul Cooter

Shahara Oil, LLC  
Beeson "F" Federal Lease  
Loco Hills QN-GB-SA Pool

Analysis of Production & Injection  
NW/4 Sec 6 - T18S - R30E

	<u>Cum</u> <u>Prod.</u>	<u>Cum</u> <u>Inj.</u>
MBO	1625	MBW 8721
MBW	2852	
	4477	

KEY: MBO/MBW (Prod.)  
MBW (Inj.)

Shahara

554/582  
0

192/0  
2216

(Enron, D/R)

1

37/472  
117

176/420  
0

382/74  
2720

Yates Pet.

127/1304  
0

1-AOL - 1 Mil.

37.74

Yates  
Cerritos-Locos  
(Newmont)

31 39.83 2 39.76

Enron  
Sand Tank-Fed

Yates Pet.  
(Newmont)  
021095

13-W1 "A"