Case No. 11973 (Reopened)

Application of Shahara Oil, L.L.C.

to amend Division Order No. R-11027,

Eddy County, New Mexico



Applicant seeks to amend Division Order No. R-11027 dated August 3. 1998 which order authorized Shahara Oil, L.L.C. to institute a waterflood project on its Beeson "F" Federal Lease by the injection of water and micro-organisms into the Queen, Grayburg and San Andres formations, Loco Hills Queen-Grayburg-San Andres Pool, through twelve injection wells located in Sections 29 and 31. Township 17 South, Range 30 East, NMPM. Specifically, therapplicant seeks to delete the requirement that it re-enter and re-plug five wells located within the "area of review" prior to commencing injection operations. This project is located approximately two miles southwest of Loco Hills, New Mexico.