



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

February 26, 2001

Lori Wrotenbery
Director
Oil Conservation Division

Sapient Energy Corporation
8801 South Yale
Suite 1800
Tulsa, Oklahoma 74137

Attention: Mr. David P. Stimack

Re: Extension of Authority to Inject
Division Order No. R-11375
West Teas (Yates-Seven Rivers) Unit
Lea County, New Mexico

Dear Mr. Stimack:

Reference is made to your letter dated January 25, 2001, whereby you requested an additional six month period in which to implement waterflood operations within six injection wells, as shown on Exhibit "A" attached hereto, within your West Teas (Yates-Seven Rivers) Unit Waterflood Project. Pursuant to Division Order No. R-11375, the authority to inject into these wells will expire on May 18, 2001, if the operator has not commenced injection operations.

For the reasons outlined in your letter, Sapient Energy Corporation is hereby granted an additional six month period in which to implement waterflood operations within the West Teas (Yates-Seven Rivers) Unit Waterflood Project. The injection authority for the six wells shown on Exhibit "A" shall terminate on November 18, 2001, if the operator has not yet commenced injection operations, provided however, the Division Director may grant an extension thereof for good cause.

Sincerely,


Lori Wrotenbery
Director

Xc: Case File-12272/12331/12332 ✓
OCD-Hobbs

EXHIBIT "A"
DIVISION ORDER NO. R-11375
West Teas (Yates - Seven Rivers) Unit Waterflood Project
Township 20 South, Range 33 East, NMPM, Lea County, New Mexico
Approved Injection Wells

Well Name Well Number (API Number)	Footage Location	Unit	Section	Injection Perforations (Feet)	Packer Depth (Feet)	Tubing Size (Inch)	Maximum Injection Pressure (psia)
Anasazi "4" State Well No. 3 (API No. 30-025-32032)	1650' FSL & 1980' FEL	J	4	3230 - 3426	3130	2 - 7/8	646
Scharbauer "4" Well No. 3 (API No. 30-025-32102)	660' FS & EL	P	4	3104 - 3312	3000	2 - 3/8	621
Federal "9" Well No. 3 (API No. 30-025-31896)	330' FNL & 2310' FWL	C	9	3147 - 3409	3050	2 - 3/8	630
Barber Federal Well No. 2 (API No. 30-025-29971)	1980' FNL & 660' FWL	E	9	3138 - 3374	3030	2 - 3/8	628
Federal "9" Well No. 6 (API No. 30-025-32517)	1650' FNL & 990' FEL	H	9	3060 - 3260	2950	2 - 3/8	612
State "BF" Well No. 4 (API No. 30-025-33144)	330' FN & EL	A	16	3150 - 3361	3050	2 - 7/8	630

SAPIENT ENERGY CORP.

8801 South Yale, Suite 1800
Tulsa, Oklahoma 74137

JAN 29

Telephone 918 488 - 8988
Facsimile 918 488 - 8994

January 25, 2001

Mr. David Catanach
NEW MEXICO OIL CONSERVATION DIVISION
1220 South Saint Francis Drive
Santa Fe, New Mexico 87504

*ORDER EXPIRES
May 18, 2000*

RE: Request for Extension to Implement Waterflood
WEST TEAS UNIT
Case No. 12332, Order No. R-11375
Lea County, New Mexico

Dear Mr. Catanach:

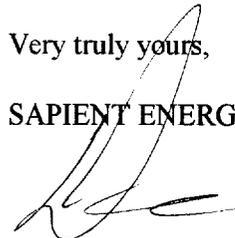
On May 18, 2000, your office granted Falcon Creek Resources, Inc. injection authority for a period of one year to implement the prescribed waterflood. A copy of Exhibit "A" to the order, showing the six (6) injection wells, is attached for your convenience.

As you may be aware, effective July 14, 2000, Falcon Creek Resources, Inc. merged into and became a part of Sapient Energy Corp., whose address is 8801 South Yale, Suite 150, Tulsa, Oklahoma 74137. Due to this transition, Sapient has yet to accomplish the implementation of the injection authority, and furthermore, with Sapient in the process of closing its Denver office, it appears unlikely that implementation will be completed within the prescribed period.

Therefore, we respectfully request an extension of six (6) months, or until October 18, 2001, to the injection authority granted in the captioned order and to complete the implementation of the waterflood. If you have any questions, you may contact me at 303-837-0500, or Patti Baldrige at Sapient. Thanking you in advance for your prompt attention to this matter, I remain,

Very truly yours,

SAPIENT ENERGY CORP.


David P. Stimack, C.P.L.
Contract Landman

cc/ Patti Baldrige
Lynn Becker