STATE OF NEW MEXICO
DEPARTMENT OF ENERGY AND MINERALS
OIL CONSERVATION DIVISION

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NOV 13 1992

OIL CONSERVATION DIVISION

APPLICATION OF SIETE OIL & GAS CORPORATION FOR WATERFLOOD PROJECT, EDDY COUNTY, NEW MEXICO

CASE NO. 10619

APPLICATION FOR WATERFLOOD PROJECT

Applicant states:

1. That Applicant seeks authority to institute a waterflood project within the Parkway Delaware Pool by the injection of water through the following injection wells:

a) Apache A #3, Unit A, 890' FNL 990' FEL
Sec. 35, T19S, R29E
b) Apache A #4, Unit D, 990' FNL 940' FEL
Sec. 35, T19S, R29E
c) Osage #5, Unit L, 1980' FSL 760"FWL
Sec. 35, T19S, R29E
d) Renegade #3, Unit E, 2230' FNL 760' FWL
Sec. 35, T19S, R29E
e) Flathead #1, Unit B, 330' FNL 1650' FEL
Sec. 2, T20S, R29E

2. That the horizontal limits of the waterflood project shall include the following described lands in Eddy County, New Mexico:

Township 19 South, Range 29 East,

Section 26: SW/4 SE/4
Section 35: N/2, N/2S/2, SE/4SW/4, S/2SE/4
Section 36: NW/4NW/4, S/2NW/4, N/2SW/4, SW/4SW/4

Township 20 South, Range 29 East,

Section 2: NW/4 NE/4

3. The producing formations in the proposed project area are in an advanced stage of depletion and the area is suitable for waterflooding.

4. That attached hereto and made a part of this application is a Form C-108, together with its information requirements.

5. The proposed waterflood project should result in the recovery of otherwise unrecoverable oil, thereby preventing waste and should otherwise protect correlative rights.

WHEREFORE, Applicant requests that the application be granted in its entirety, and for such other and proper relief as the Division deems proper and appropriate.

Respectfully submitted,

PADILLA & SNYDER

By: _____
Ernest L. Padilla
P. O. Box 2523
Santa Fe, New Mexico 87504-2523
(505) 988-7577

ATTORNEYS FOR APPLICANT

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION
POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501

FORM C-108
Revised 7-1-81

APPLICATION FOR AUTHORIZATION TO INJECT

I. Purpose: [X] Secondary Recovery [ ] Pressure Maintenance [ ] Disposal [ ] Storage
Application qualifies for administrative approval? [ ] yes [X] no

II. Operator: Siete Oil & Gas Corporation

Address: P.O. BOX 2523

Contact party: RObert Lee Phone: 505-622-2202

III. Well data: Complete the data required on the reverse side of this form for each well proposed for injection. Additional sheets may be attached if necessary.

IV. Is this an expansion of an existing project? [ ] yes [X] no
If yes, give the Division order number authorizing the project _____.

V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.

* VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.

VII. Attach data on the proposed operation, including:

1. Proposed average and maximum daily rate and volume of fluids to be injected;
2. Whether the system is open or closed;
3. Proposed average and maximum injection pressure;
4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and
5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).

*VIII. Attach appropriate geological data on the injection zone including appropriate lithologic detail, geological name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such source known to be immediately underlying the injection interval.

IX. Describe the proposed stimulation program, if any.

* X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division they need not be resubmitted.)

* XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.

XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground source of drinking water.

XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.

XIV. Certification

I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

Name: Robert Lee Title Production Manager

Signature: Robert Lee Date: _____

* If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be duplicated and resubmitted. Please show the date and circumstance of the earlier submittal. _____

DISTRIBUTION: Original and one copy to Santa Fe

III. WELL DATA

A. The following well data must be submitted for each injection well covered by this application The data must be both in tabular and schematic form and shall include:

(1) Lease name; Well No.; location by Section, Township, and Range; and footage location within the section.

(2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement, and how such top was determined.

(3) A description of the tubing to be used including its size, lining material, and setting depth.

(4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

Division District offices have supplies of Well Data Sheets which may be used or which may be used as models for this purpose. Applicants for several identical wells may submit a "typical data sheet" rather than submitting the data for each well.

B. The following must be submitted for each injection well covered by this application. All items must be addressed for the initial well. Responses for additional wells need be shown only when different. Information shown on schematics need not be repeated.

(1) The name of the injection formation and, if applicable, the field or pool name.

(2) The injection interval and whether it is perforated or open-hole.

(3) State if the well was drilled for injection or, if not, the original purpose of the well

(4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.

(5) Give the depth to and name of the next higher and next lower oil or gas zone in the area of the well, if any.

XIV. PROOF OF NOTICE

All applicants must furnish proof that a copy of the application has been furnished, by certified or registered mail, to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location.

Where an application is subject to administrative approval, a proof of publication must be submitted. Such proof shall consist of a copy of the legal advertisement which was published in the county in which the well is located. The contents of such advertisement must include:

(1) The name, address, phone number, and contact party for the applicant;

(2) the intended purpose of the injection well; with the exact location of single wells or the section, township, and range location of multiple wells;

(3) the formation name and depth with expected maximum injection rates and pressures; and

(4) a notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, P. O. Box 2088, Santa Fe, New Mexico 87501 within 15 days.

NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER PROOF OF NOTICE HAS BEEN SUBMITTED.

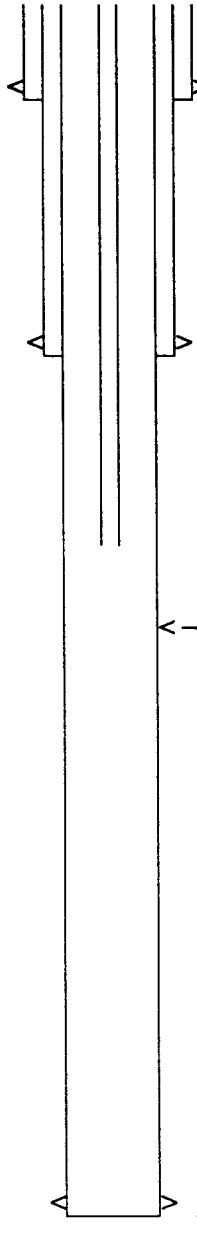
NOTICE: Surface owners or offset operators must file any objections or requests for hearing of administrative applications within 15 days from the date this application was mailed to them.

SIETE OIL & GAS CORPORATION

WELL: APACHE A-3 **CURRENT**
FIELD: PARKWAY DELAWARE
INTERVAL: DELAWARE
Comp: 4/21/89
IP: 216 BOPD, 126 MCFGPD, 65 BWPD
SPUDDED: 3/22/89

LOCATION:
890 FNL & 990 FEL
SEC 35 T19S R29E
EDDY COUNTY, NM

API #: 30-15-26079



SURFACE CASING:
RAN 359' 13 3/8" 48# H-40 CSG. CMT TO SURFACE

INTERMEDIATE CASING:
RAN 3200' 8 5/8" 24# & 28# K-55 & S-80 CSG.
CMT TO SURFACE.

PRESENT COMPLETION INTERVAL:
PERFED INTERVAL 4221-39'

PRODUCTION CASING:
RAN 4549' 5 1/2" 14# K-55 CSG. CMT TO SURFACE.

DRAWN BY: BJG
DATE: MARCH 23, 1992

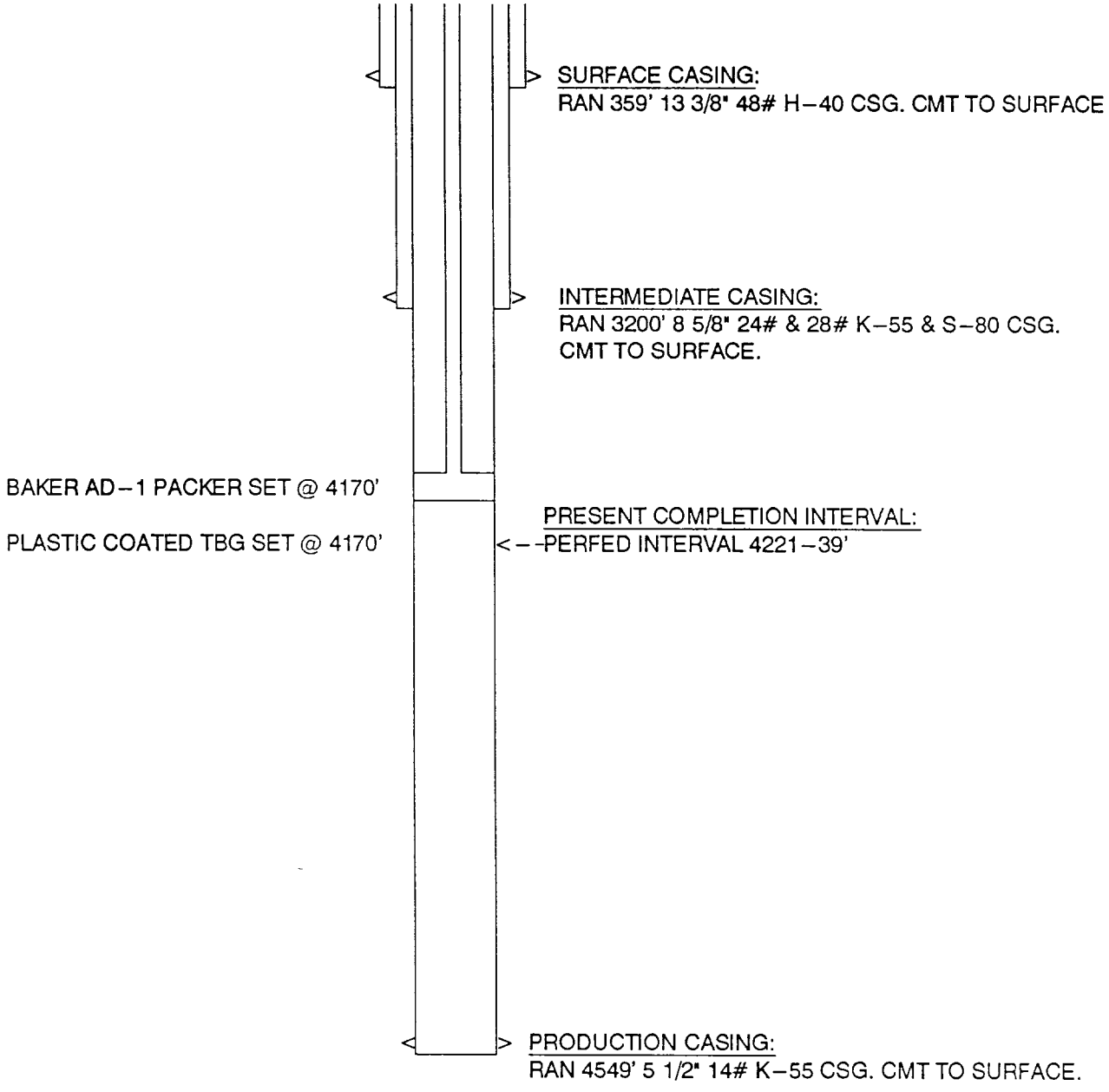
TD: 4550'
PBTD: 4501'

SIETE OIL & GAS CORPORATION

WELL: APACHE A-3 **PROPOSED**
FIELD: PARKWAY DELAWARE
INTERVAL: DELAWARE
Comp: 4/21/89
IP: 216 BOPD, 126 MCFGPD, 65 BWPD
SPUDDED: 3/22/89

LOCATION:
890 FNL & 990 FEL
SEC 35 T19S R29E
EDDY COUNTY, NM

API #: 30-15-26079



DRAWN BY: BJG
DATE: MAY 19, 1992

TD: 4550'
PBTD: 4501'

PARKWAY WATERFLOOD UNIT

APACHE A-3 - CONVERT TO INJECTION

NMOCD Form C-108 Section III

III. Data on injection well(s)

A. Injection well information (see attached schematic)

Tabular data

1. Lease: Apache A

   Well No: #3

   Location: 890' FNL & 990' FEL, Sec 35 T19S R29E, Eddy County, NM

2. Casing: 13 3/8" intermediate @ 359', circ cement to surface.
   8-5/8" intermediate @ 3200', circ cement to surface.
   5-1/2" production @ 4550', circ cmt to surface.

3. Injection tubing: + or - 130 jts 2-3/8", 4.7 lb/ft, J-55 internally plastic coated tubing.

4. Packer: Baker Model AD-1 injection packer set @ 4170'.

B. Other well information

1. Injection formation: Delaware

   Field: Parkway

2. Existing perforations 4221-39'.

3. This well was originally drilled as an oil producer.

4. There are no other zones completed in this wellbore.

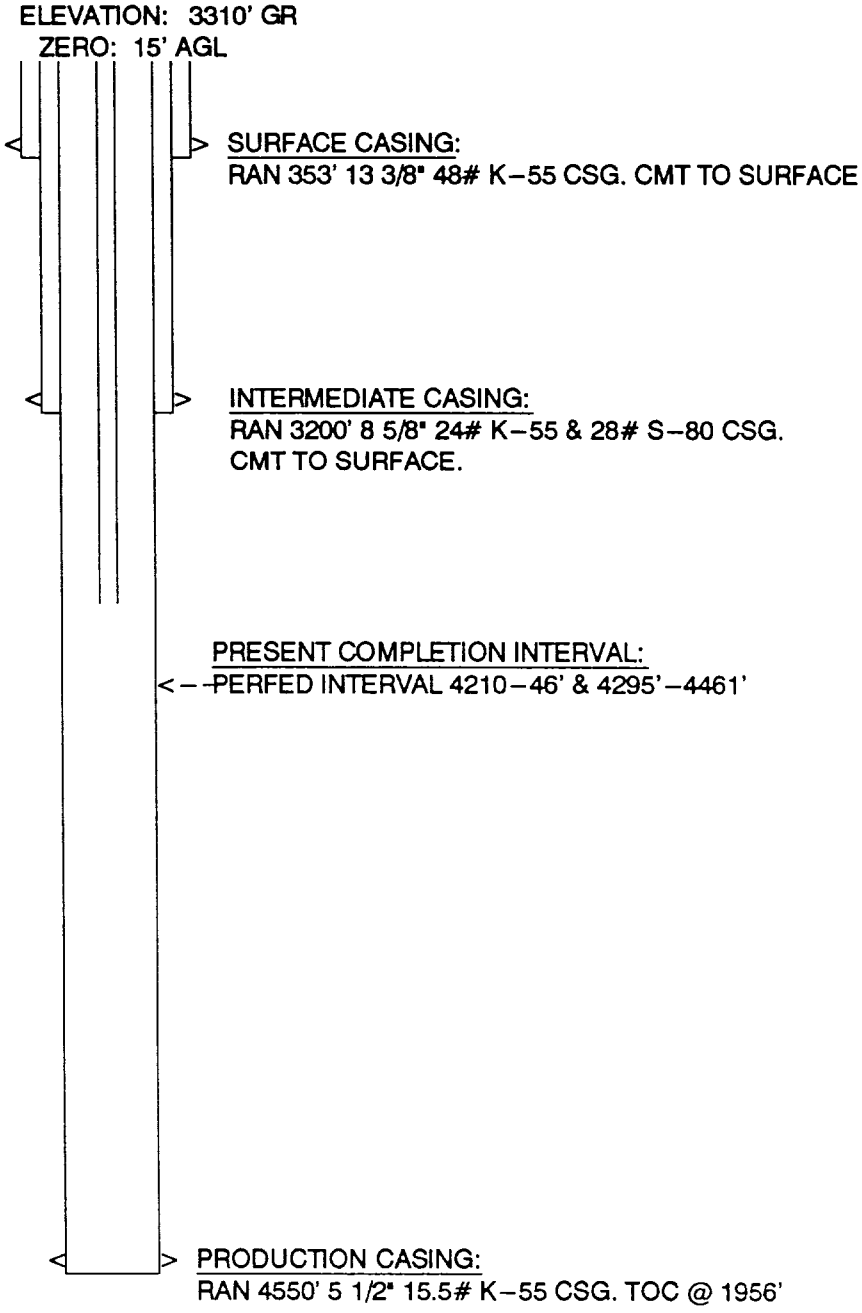
5. Within the area of this project the Yates formation is marginally productive at a depth of 1440'.

SIETE OIL & GAS CORPORATION

WELL: APACHE A-4 CURRENT
FIELD: PARKWAY DELAWARE
INTERVAL: DELAWARE
Comp: 8/16/89
IP: 93 BOPD, 175 MCFGPD, 420 BWPD
SPUDDED: 7/13/89

LOCATION:
990' FNL & 940' FEL
SEC 35 T19S R29E
EDDY COUNTY, NM

API #: 30-15-26143



DRAWN BY: BJG
DATE: MARCH 23, 1992

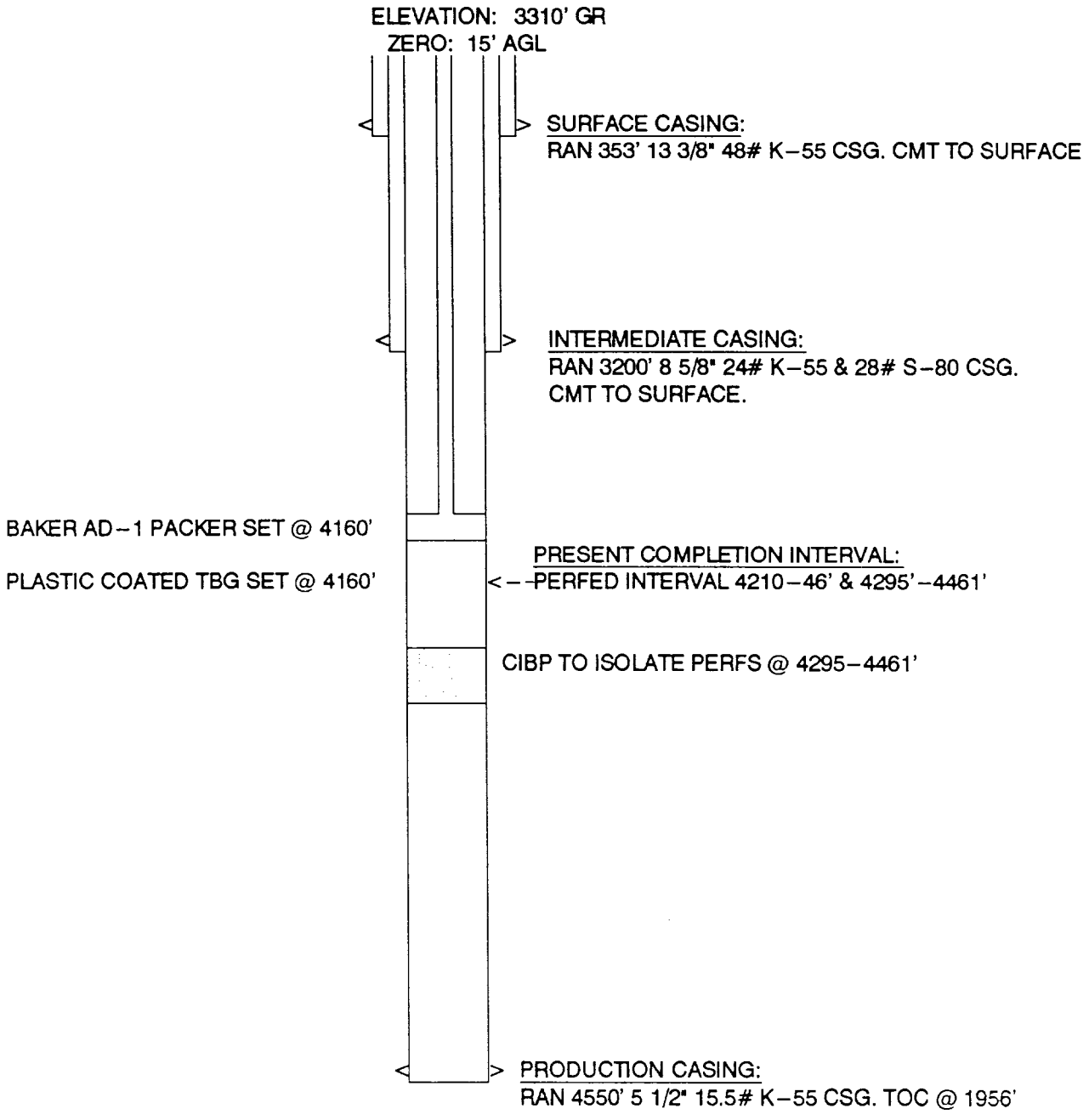
TD: 4550'
PBTD: 4500'

SIETE OIL & GAS CORPORATION

WELL: APACHE A-4 **PROPOSED**
FIELD: PARKWAY DELAWARE
INTERVAL: DELAWARE
Comp: 8/16/89
IP: 93 BOPD, 175 MCFGPD, 420 BWPD
SPUDDED: 7/13/89

LOCATION:
990' FNL & 940' FEL
SEC 35 T19S R29E
EDDY COUNTY, NM

API #: 30-15-26143



DRAWN BY: BJG
DATE: NOV 2, 1992

TD: 4550'
PBTD: 4500'

PARKWAY WATERFLOOD UNIT

APACHE A-4 - CONVERT TO INJECTION

NMOCD Form C-108 Section III

III. Data on injection well(s)

A. Injection well information (see attached schematic)

Tabular data

1. Lease: Apache A

   Well No: #4

   Location: 990' FNL & 940' FEL, Sec 35 T19S R29E, Eddy County, NM

2. Casing: 13 3/8" intermediate @ 353', circ cement to surface.
   8-5/8" intermediate @ 3200', circ cement to surface.
   5-1/2" production @ 4550', TOC @ 1956' based on CBL.

3. Injection tubing: + or - 130 jts 2-3/8", 4.7 lb/ft, J-55 internally plastic coated tubing.

4. Packer: Baker Model AD-1 injection packer set @ 4160'.

B. Other well information

1. Injection formation: Delaware

   Field: Parkway

2. Existing perforations 4210-46'.

3. This well was originally drilled as an oil producer.

4. The original completion at 4295-4461' will be isolated w/CIBP.

5. Within the area of this project the Yates formation is marginally productive at a depth of 1440'.

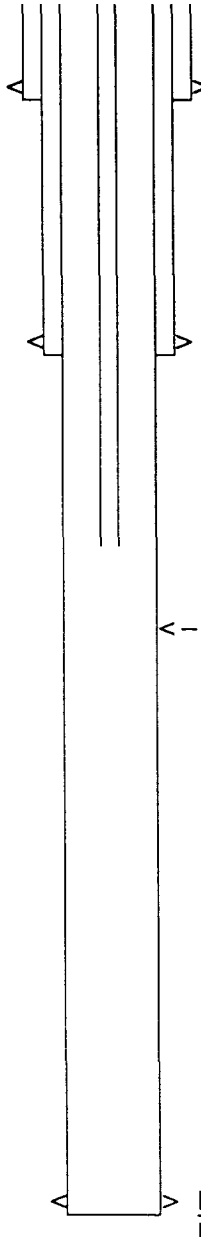
SIETE OIL & GAS CORPORATION

WELL: OSAGE FEDERAL #5 **CURRENT**
FIELD: PARKWAY DELAWARE
INTERVAL: DELAWARE
Comp: 1/16/89
IP: 62 BOPD, 89 MCFGPD, 83 BWPD
Spudded: 17 1/2" HOLE ON 11/30/88

LOCATION:
1980' FSL & 760' FWL
SEC 35 T19S R29E
EDDY COUNTY, NM

API #: 30-15-26029

ELEVATION: 3319' GR
ZERO: 8' AGL



SURFACE CASING:
RAN 5 JTS (186') 20" 94# K-55 CSG, SET @ 172'. CMT W/200 SXS. HEII W/4% CACL.
RAN 9 JTS (382') 13 3/8" 54.5# K-55 CSG, SET @ 364'. CMT W/100 SXS 35/65 POZA W/6% D-20 3% S-1 25# D-29, TAIL-IN W/200 SXS HEII W/3% S-1, 25# D-29, DID NOT CIRC. 1" CMT TO SURF.

INTERMEDIATE CASING:
RAN 75 JTS (3204') 8 5/8" 24# J-55 CSG, SET @ 3200'. CMT W/100 SXS 35/65 POZA + ADDITIVES, 500 SXS 35/65 POZ + ADDITIVES, TAIL-IN W/200 SXS HEII + ADDITIVES, 1" CMT TO SURFACE.

EQUIPMENT IN HOLE

PRESENT COMPLETION INTERVAL:
PERFED INTERVAL 4135-4150' (11 SHOTS)
SPOT 1 BBL ACID OVER PERFS, SET PKR @ 4061'
ACIDIZE W/2000 GAL 15% HCL + 22 BALLSEALERS, BROKE @ 2300, AIR-3 BPM, AIP-1540, BALLED OUT @ 3420'. FPIP-1460, ISIP-950, 10 MIN-940.
FRACED W/15000GAL 30# CROSSLINK, 2000# 100 MESH, 19,440# 20/40, 8400# 12/20, AIR-4 BPM, MAX-1868, FPIP-1415, ISIP-1030, @ 5 MIN-984 @ 10 MIN-975, @ 15 MIN-966.

SN @ 4093'

PRODUCTION CASING:
RAN 21 JTS (5008') 5 1/2" 15.5# J-55 CSG
SET @ 5000', CMT W/450 SXS. TAIL-IN STANDARD + ADDITIVES. TOC @ 2540'

DRAWN BY: BJG
DATE: SEPT. 2, 1992

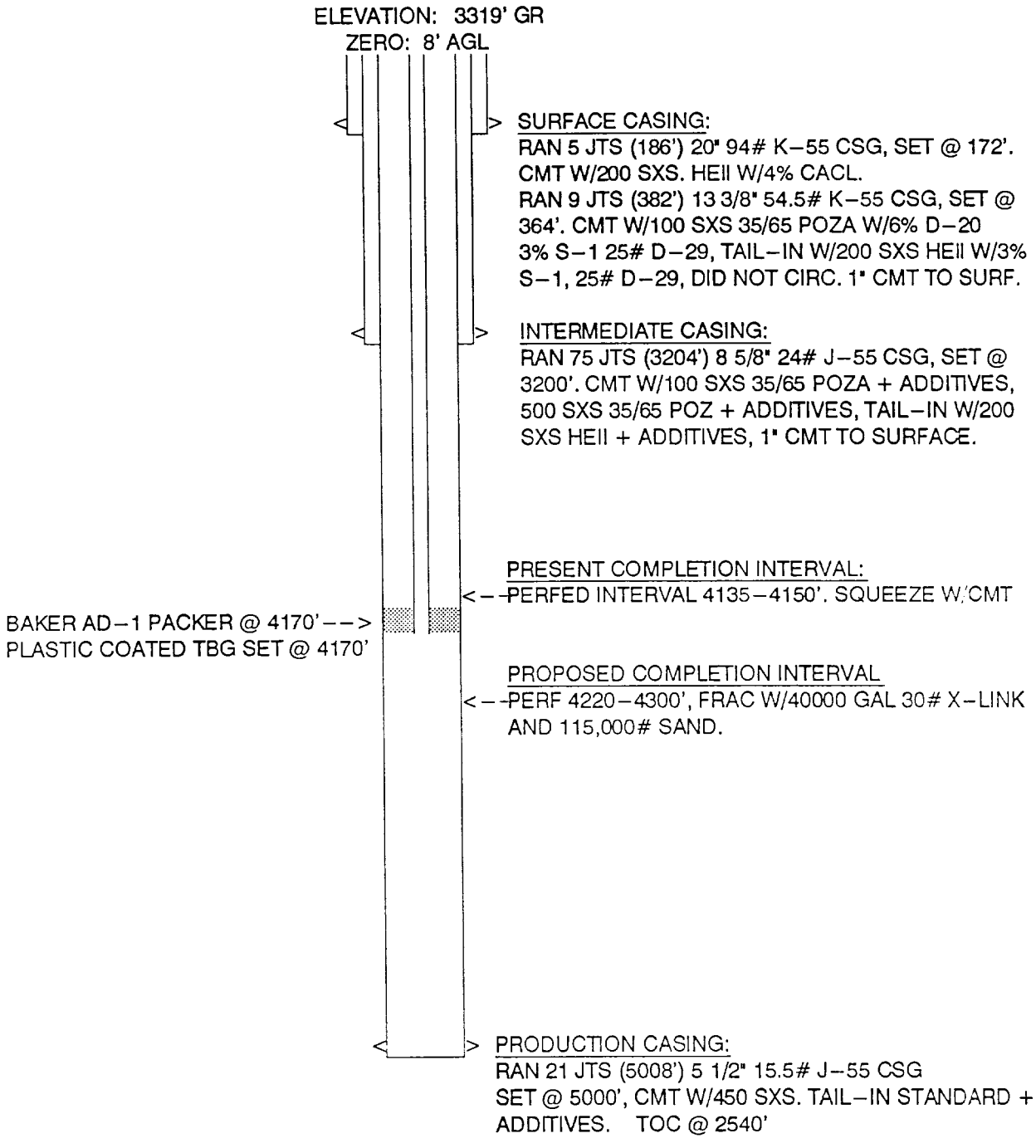
TD: 5000'
PBTD: 4958'

SIETE OIL & GAS CORPORATION

WELL: OSAGE FEDERAL #5 **PROPOSED**
FIELD: PARKWAY DELAWARE
INTERVAL: DELAWARE
Comp: 1/16/89
IP: 62 BOPD, 89 MCFGPD, 83 BWPD
Spudded: 17 1/2" HOLE ON 11/30/88

LOCATION:
1980' FSL & 760' FWL
SEC 35 T19S R29E
EDDY COUNTY, NM

API #: 30-15-26029



DRAWN BY: BJG
DATE: MARCH 6, 1992

TD: 5000'
PBTD: 4958'

PARKWAY WATERFLOOD UNIT

OSAGE #5 - CONVERT TO INJECTION

NMOCD Form C-108 Section III

III. Data on injection well(s)

A. Injection well information (see attached schematic)

Tabular data

1. Lease: Osage

   Well No: #5

   Location: 1980' FSL & 760' FWL, Sec 35 T19S R29E, Eddy County, NM

2. Casing: 20" surface @ 172', circ cement to surface.
   13-3/8" intermediate @ 382', circ cement to surface.
   8-5/8" intermediate @ 3204', circ cement to surface
   5-1/2" production @ 5008', TOC @ 2540' based on CBL.

3. Injection tubing: + or - 130 jts 2-3/8", 4.7 lb/ft, J-55 internally plastic coated tubing.

4. Packer: Baker Model AD-1 injection packer set @ 4170'.

B. Other well information

1. Injection formation: Delaware

   Field: Parkway

2. Perforated interval will be between 4220 and 4300'.

3. This well was originally drilled as an oil producer.

4. The original completion at 4135-4150' will be squeezed with at least 100 sacks of cement.

5. Within the area of this project the Yates formation is marginally productive at a depth of 1440'.

SIETE OIL & GAS CORPORATION

WELL: RENEGADE FEDERAL #3 **CURRENT**
FIELD: PARKWAY DELAWARE
INTERVAL: DELAWARE
Comp: 1/27/89
IP: 50 BOPD, 62 MCFGPD, 80 BWPD (GOR 1240) GRAVITY 39.6
Spudded: 17 1/2" HOLE ON 11/15/88

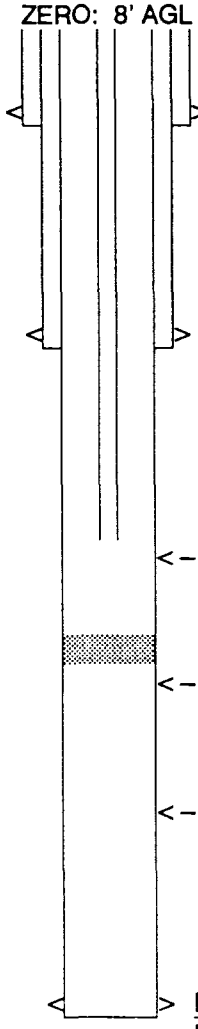
LOCATION:
2230' FNL & 760' FWL
SEC 35 T19S R29E
EDDY COUNTY, NM

API #: 30-015-26006

ELEVATION: 3312' GR
ZERO: 8' AGL

TOPS

1. DEL "A" – 3983'
2. DEL "B" – 4073'
3. DEL "C" – 4240'



SURFACE CASING:
RAN 9 JTS 13 3/8" 48# CSG, SET @ 363'.
CMT W/600 SXS, TAIL-IN W/100 SXS.
CIRC 60 SXS TO PIT.

INTERMEDIATE CASING:
RAN 76 JTS 8 5/8" 24 & 32# CSG, SET @ 3202'.
CEM W/ 590 SXS, TAIL-IN W/200 SXS, DID NOT CIRC.
1" CMT TO SURFACE

EQUIPMENT IN HOLE

<-- PERF 4127-4142' (11 SHOTS). ACID W/1000 GAL. FRAC W/ 14000 GAL 30# X-LINK, 2000# 100 MESH, 20000# 20/40 8000# 12/20. (1/19/89)

CIBP @ 4298'

<-- PERF 4328-4349' (15 SHOTS) ACID W/1000 GALS. FRAC W/ 17000 GALS 30# X-LINK, 2000# 100 MESH, 27000# 20/40 12000# 12/20. (12/8/88)

SN @ 4524'

<-- PERF 4557-4578' (15 SHOTS). ACID W/1000 GAL. FRAC W/ 18000 GAL 30# XL, 2000# 100 MESH, 27000# 20/40 12000# 12/20. (12/3/88)

PRODUCTION CASING:
RAN 120 JTS 5 1/2" 15.5# CSG, SET @ 5000'. CMT W/450 SXS, TAIL-IN STD W/.7% D-127 FLA, 5# D-44. TOC @ 2566'

DRAWN BY: BJG
DATE: SEPT. 2, 1992

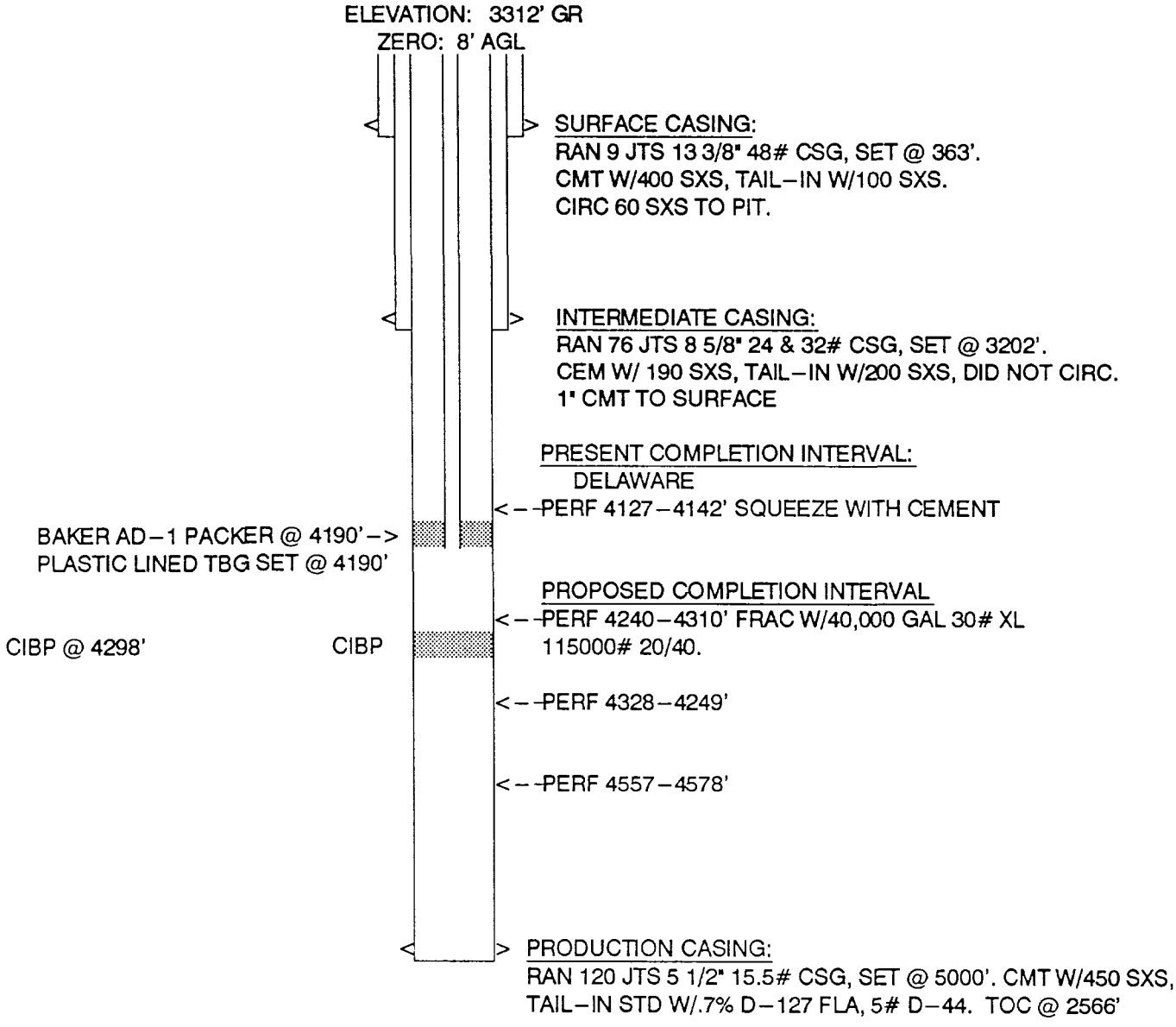
TD: 5000'
PBTD:4298'

SIETE OIL & GAS CORPORATION

WELL: RENEGADE FEDERAL #3 (PROPOSED)
FIELD: PARKWAY DELAWARE
INTERVAL: DELAWARE
Comp: 1/27/89
IP: 50 BOPD, 62 MCFGPD, 80 BWPD (GOR 1240) GRAVITY 39.6
Spudded: 17 1/2" HOLE ON 11/15/88

LOCATION:
2230' FNL & 760' FWL
SEC 35 T19S R29E
EDDY COUNTY, NM

API #: 30-015-26006



DRAWN BY: BJG
DATE: AUGUST 2, 1991

TD: 5000'
PBTD:4298'

PARKWAY WATERFLOOD UNIT

RENEGADE #3 - CONVERT TO INJECTION

NMOCD Form C-108 Section III

III. Data on injection well(s)

A. Injection well information (see attached schematic)

Tabular data

1. Lease: Renegade

   Well No: #3

   Location: 2230' FNL & 760' FWL, Sec 35 T19S R29E, Eddy County, NM

2. Casing: 13 3/8" surface @ 363', circ cement to surface.

   8-5/8" intermediate @ 3202', cement to surface
   5-1/2" production @ 5000', TOC @ 2566' based on CBL.

3. Injection tubing: + or - 131 jts 2-3/8", 4.7 lb/ft, J-55 internally plastic coated tubing.

4. Packer: Baker Model AD-1 injection packer set @ 4190'.

B. Other well information

1. Injection formation: Delaware

   Field: Parkway

2. Perforated interval will be between 4240 and 4310'.

3. This well was originally drilled as an oil producer.

4. The original completion at 4127-4142' will be cement squeezed with at least 100 sacks of cement.

5. Within the area of this project the Yates formation is marginally productive at a depth of 1440'.

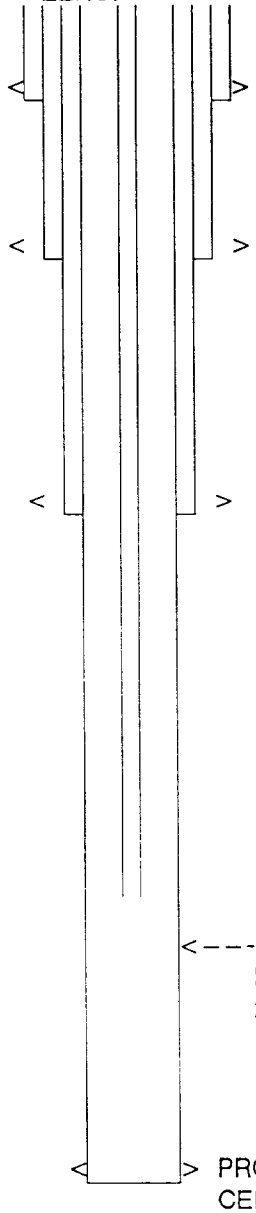
SIETE OIL & GAS CORPORATION

WELL: FLATHEAD STATE #1 (CURRENT)
FIELD: PARKWAY
INTERVAL: DELAWARE
Comp: 8/23/90
IP– 52 BOPD, 128 BWPD, 50 MCFGPD (EST)
API#: 30–015–26433

LOCATION:
330' FNL & 1650' FEL
SEC 2 T20S R29E
Eddy County, N.M.

Spudded 26" HOLE ON 7/26/90

ELEVATION:3320' GR
ZERO:



SURFACE CASING – ran 10 JTS 20#, SET @ 340'
CEM W/ 320 SXS, TAIL–IN W/250 SXS. DID NOT CIRC.
1 INCHED TO 72', CEM W/ 90 SXS, CIRC 9 SXS TO PIT
(7/27/90)

INTERMEDIATE CASING – RAN 29 JTS 13 3/8" 54.5#, SET
@ 1250'. CEM W/680 SXS, TAIL–IN W/250 SXS, CIRC 10
SXS TO PIT (7/30/90

EQUIPMENT IN HOLE

INTERMEDIATE CASING – RAN 72 JTS 8 5/8" 24#,
SET @ 3000'. CEM W/250 SXS + 820 SXS, TAIL–IN W/240
SXS, CIRC 150 SXS TO PIT. (8/03/90)

PRESENT COMPLETION INTERVAL

Delaware

<---1st set of perfs 4118–4146' (14 HOLES). ACID W/1000 GAL.
FRAC W/17000 GAL 30# KL, 2000# 100 MESH, 23300#
20/40, 8300# 12/20 (8/21/90)

PRODUCTION CASING – 105 JTS 5 1/2" 15.5#, SET @ 4500'
CEM W/ 450 SXS, TAIL–IN W/150 SXS. (TOC @ 155')

DRAWN BY: BJG
DATE: JUNE 17, 1991

TD: 4500'
PBTD: 4455'

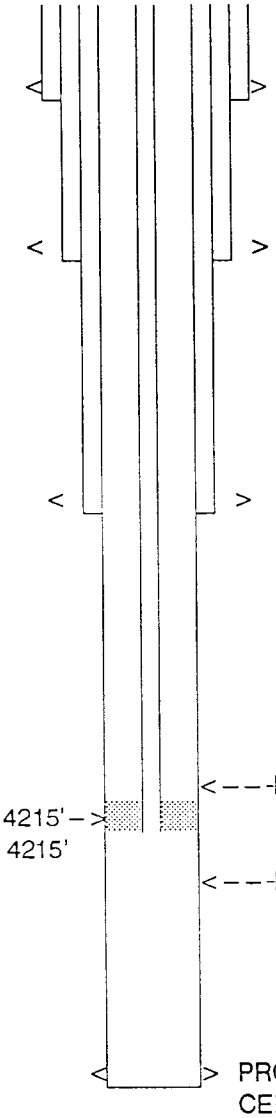
SIETE OIL & GAS CORPORATION

WELL: FLATHEAD STATE #1 (PROPOSED)
FIELD: PARKWAY
INTERVAL: DELAWARE
Comp: 8/23/90
IP– 52 BOPD, 128 BWPD, 50 MCFGPD (EST)
API#: 30–015–26433

LOCATION:
330' FNL & 1650' FEL
SEC 2 T20S R29E
Eddy County, N.M.

Spudded 26" HOLE ON 7/26/90

ELEVATION:3320' GR
ZERO:



SURFACE CASING – ran 10 JTS 20#, SET @ 340'
CEM W/ 320 SXS, TAIL–IN W/250 SXS. DID NOT CIRC.
1 INCHED TO 72', CEM W/ 90 SXS, CIRC 9 SXS TO PIT
(7/27/90)

INTERMEDIATE CASING – RAN 29 JTS 13 3/8" 54.5#, SET
@ 1250'. CEM W/680 SXS, TAIL–IN W/250 SXS, CIRC 10
SXS TO PIT (7/30/90

EQUIPMENT IN HOLE

INTERMEDIATE CASING – RAN 72 JTS 8 5/8" 24#,
SET @ 3000'. CEM W/250 SXS + 820 SXS, TAIL–IN W/240
SXS, CIRC 150 SXS TO PIT. (8/03/90)

PRESENT COMPLETION INTERVAL

Delaware

<---PERFS 4118–4146' SQUEEZE W/CEMENT.

BAKER AD–1 PACKER SET @ 4215'–>
PLASTIC COATED TBG SET @ 4215'

PROPOSED COMPLETION INTERVAL

<---PERF 4266–4350. FRAC W/40000 GAL 30# X–LINK AND
115,000# SAND.

PRODUCTION CASING – 105 JTS 5 1/2" 15.5#, SET @ 4500'
CEM W/ 450 SXS, TAIL–IN W/150 SXS. (TOC @ 155')

DRAWN BY: BJG
DATE: JUNE 17, 1991

TD: 4500'
PBTD: 4455'

PARKWAY WATERFLOOD UNIT

FLATHEAD STATE #1 - CONVERT TO INJECTION

NMOCD Form C-108 Section III

III. Data on injection well(s)

A. Injection well information (see attached schematic)

Tabular data

1. Lease: Flathead

   Well No: #1

   Location: 330' FNL & 1650' FEL, Sec 2 T20S R29E, Eddy County, NM

2. Casing: 20" surface @ 340', circ cement to surface.
   13-3/8" intermediate @ 1250', circ cement to surface
   5-1/2" production @ 4500', TOC @ 155' based on CBL.

3. Injection tubing: + or - 132 jts 2-3/8", 4.7 lb/ft, J-55 internally plastic coated tubing.

4. Packer: Baker Model AD-1 injection packer set @ 4215'.

B. Other well information

1. Injection formation: Delaware

   Field: Parkway

2. Perforated interval will be between 4266-4350'.

3. This well was originally drilled as an oil producer.

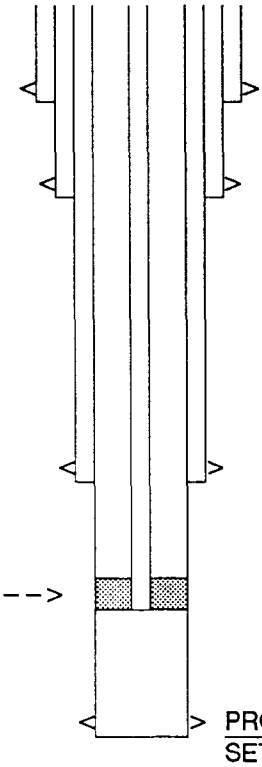
4. The original completion at 4118-4146' will be cement squeezed with at least 100 sacks of cement.

5. Within the area of this project the Yates formation is marginally productive at a depth of 1440'.

SIETE OIL & GAS CORPORATION

TYPICAL INJECTOR FOR PARKWAY WATERFLOOD

ELEVATION: 3310' GR



SURFACE CASING:
SET 350', 20" CSG, CIRC CEMENT TO SURFACE.

INTERMEDIATE CASING:
SET 1150' 13-3/8" CSG, CIRC CEMENT TO SURFACE.

2ND STRING INTERMEDIATE:
SET 3200' 8-5/8" CSG, CIRC CEMENT TO SURFACE.

SET BAKER AD-1 PKR @ APPROX, 4100'
PLASTIC LINED TBG SET @ APPROX. 4100'

PERFORATE DELAWARE "C" SAND FROM APPROXIMATELY 4150 TO 4350'. FRAC W/40,000 GAL 30# XL AND 115,000# 20/40 SAND

PRODUCTION CASING:
SET 4400' 5-1/2" CSG, CIRC CEMENT TO SURFACE

DRAWN BY: BJG

TD: 4400'

PARKWAY WATERFLOOD UNIT

TYPICAL INJECTION WELL

NMOCD Form C-108 Section III

III. Data on injection well(s)

A. Injection well information (see attached schematic)

Tabular data

1. Lease: Parkway Waterflood Unit

   Well No: Typical new well.

   Location: Various

2. Casing: 20" surface @ 300', circ cement to surface.
   13-3/8" intermediate @ 1150', circ cement to surface.
   8-5/8" intermediate @ 3200', circ cement to surface
   5-1/2" production @ 4400', circ cement to surface.

3. Injection tubing: + or - 128 jts 2-3/8", 4.7 lb/ft, J-55 internally plastic coated tubing.

4. Packer: Baker Model AD-1 injection packer set @ 4100'.

B. Other well information

1. Injection formation: Delaware

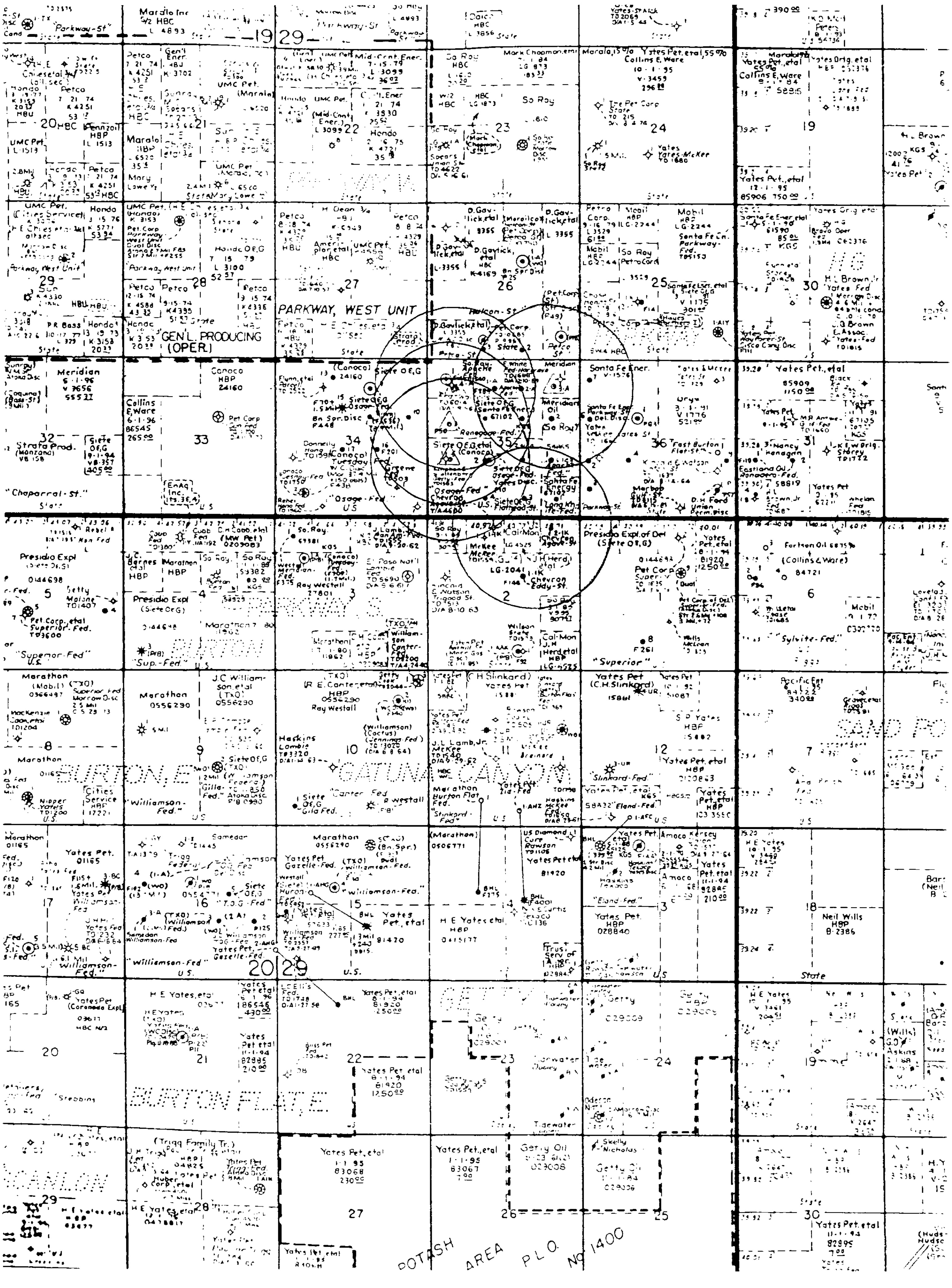
   Field: Parkway

2. Perforated interval well be between 4150 and 4350' depending on the well location.

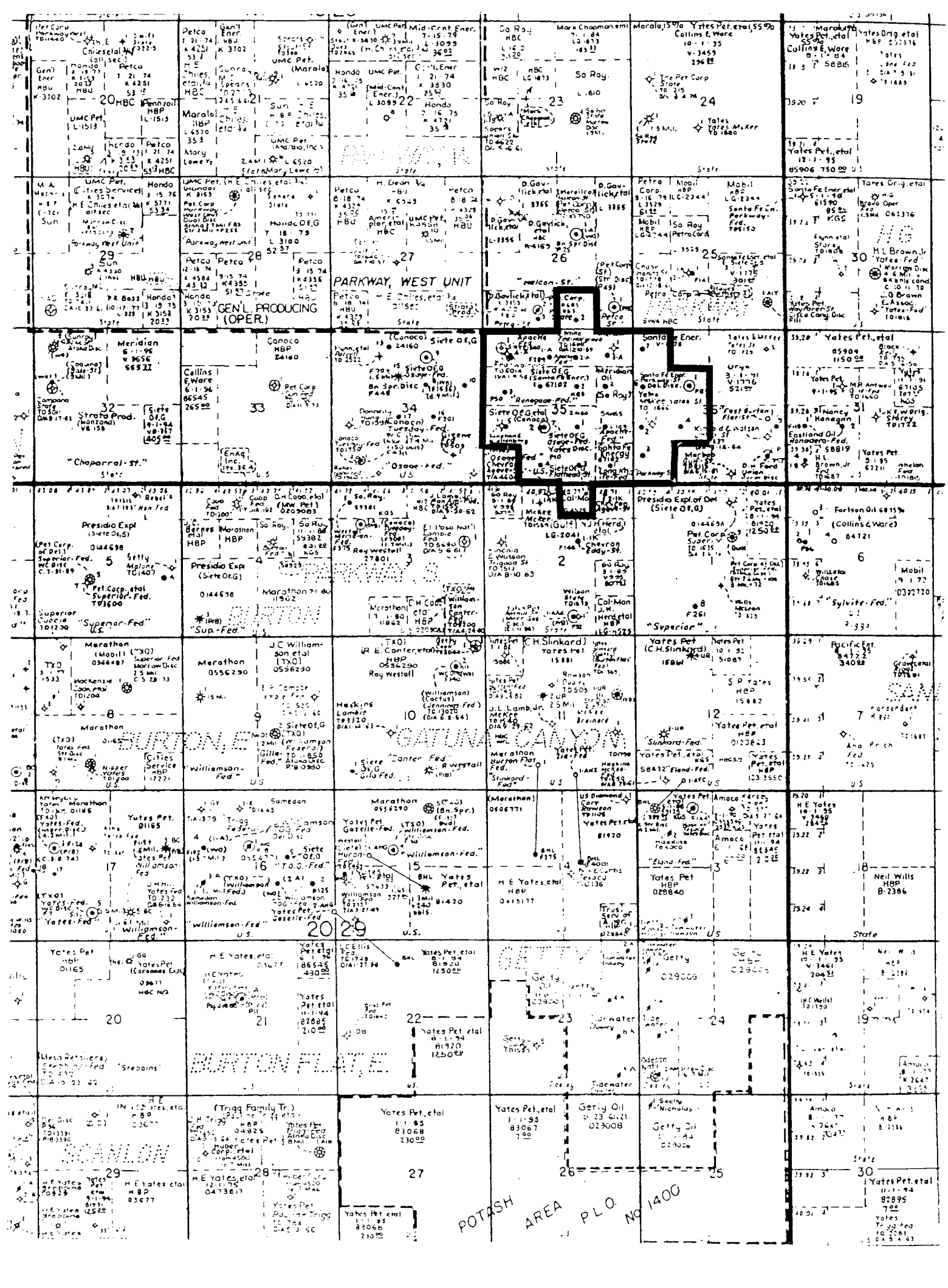
3. New injection wells will be drilled for the purpose of injection.

4. There will be no other perforated or tested intervals in the new injection wells.

5. Within the area of this project the Yates formation is marginally productive at a depth of 1440'. This formation will have 2 strings of casing across it.



"Parkway-St"
PARKWAY, WEST UNIT
GEN'L. PRODUCING (OPER.)
"Chaparral-St."
"Superior-Fed"
"Williamson-Fed."
"Slinkard-Fed."
"Eland-Fed."
"Sylvite-Fed."
BURTON, E
GATUNA CANYON
BURTON FLATS
POTASH AREA P.L.O. No 1400
Yates Pet., etal
Presidio Expl
Marathon
Yates Pet.
H.E. Yates, etal
Getty Oil
Neil Wills
Santa Fe Ener.
Meridian
Conoco
Collins E. Ware
Haskins
Tidewater


PARKWAY, WEST UNIT
GEN'L. PRODUCING (OPER.)
GATUNA CANYON
POTASH AREA P.L.O. No. 1400

PARKWAY WATERFLOOD

STATUS	WELL NAME	OPERATOR	LOCATION	TYPE OF WELL	SPUD DATE	COMP. DATE	TD	PBTD	COMP. INTERVAL	FORM.	CASING PROGRAM
ACTIVE	RENEGADE FED #3	SIETE	35E 19S 29E 2230 FN & 760 FW	OIL	11/15/88	1/26/89	5000'	4298'	4127–4142'	DELA	13 3/8" @ 363' W/700 SXS 8 5/8" @ 3202' W/1790 SXS 5 1/2" @ 5000' W/450 SXS
ACTIVE	RENEGADE FED #1	SIETE	35F 19S 29E 1980 FN & 1980 FW	OIL	9/16/88	10/22/88	5800'	5752'	3940–4058'	DELA	13 3/8" @ 357' W/665 SXS 5 1/2" @ 5795' W/2915 SXS
ACTIVE	RENEGADE FED #2	SIETE	35G 19S 29E 1980 FN & 1980 FE	OIL	11/16/88	12/3/88	5000'	4958'	4190–4211'	DELA	13 3/8" @ 365' W/500 SXS 8 5/8" @ 3201' W/790 SXS 5 1/2" @ 5000' W/350 SXS
ACTIVE	APACHE FED #2	MERIDIAN	35H 19S 29E 1980 FN & 990 FE	OIL	3/9/89	4/18/89	4549'	4492'	4176–4210'	DELA	13 3/8" @ 344' W/625 SXS 8 5/8" @ 3200' W/ 2300 SXS 5 1/2" @ 4500' W/650 SXS
ACTIVE	APACHE FED #1	MERIDIAN	35I 19S 29E 1980 FS & 990 FE	OIL	12/12/88	2/1/89	4500'	4453'	4182–4218'	DELA	13 3/8" @ 365' W/805 SXS 8 5/8" @ 3200' W/2300 SXS 5 1/2" @ 4500' W/650 SXS
ACTIVE	OSAGE FED #1	SIETE	35J 19S 29E 1980 FS & 1980 FE	OIL	7/18/88	8/12/88	5910'	5848'	4135–4168'	DELA	13 3/8" @ 353' W/350 SXS 8 5/8" @ 3193' W/2860 SXS 5 1/2" @ 5908' W/620 SXS
ACTIVE	OSAGE FED #2	SIETE	35K 19S 29E 1980 FS & 1980 FW	OIL	10/2/88	10/24/88	5000'	4948'	4157–4187'	DELA	13 3/8" @ 363 W/740 SXS 5 1/2" @ 4993' W/1550 SXS
T & A	OSAGE FED #7	SIETE	35K 19S 29E 1980 FS & 2080 FW	OIL	1/25/89	2/18/89	1705'	1668'	1434–1449'	YATES	13 3/8" @ 350' W/400 SXS 5 1/2" @ 1700' W/410 SXS
ACTIVE	OSAGE FED #5	SIETE	35L 19S 29E 1980 FS & 760 FW	OIL	11/30/88	1/10/89	5000'	4958'	4135–4150'	DELA	20" @ 173' W/200 SXS 13 3/8" @ 364' W/500 SXS 8 5/8" @ 3200' W/800 SXS 5 1/2" @ 5000 W/450 SXS
ACTIVE	OSAGE FED #4	SIETE	35N 19S 29E 660 FS & 1980 FW	OIL	12/1/88	12/30/88	5000'	4948'	4018–4120'	DELA	13 3/8" @ 381' W/400 SXS 8 5/8" @ 3200' W/1405 SXS 5 1/2" @ 5000' W/420 SXS
ACTIVE	OSAGE FED #3	SIETE	35O 19S 29E 660 FS & 1980 FW	OIL	11/2/88	11/22/88	5000'	4933'	4201–4222'	DELA	13 3/8" @ 360 W/755 SXS 8 5/8" @ 3218' W/2295 SXS 5 1/2" @ 5000 W/400 SXS
ACTIVE	LONGKNIFE 35 #1	SANTA FE	35P 19S 29E 660 FS & 810 FE	OIL	12/13/88	3/1/89	6000'	5980'	5930–5936'	DELA	10 3/4" @ 370' W/350 SXS 7" @ 3200' W/100 SXS 4 1/2" @ 4850' W/450 SXS

PARKWAY WATERFLOOD

STATUS	WELL NAME	OPERATOR	LOCATION	TYPE OF WELL	SPUD DATE	COMP. DATE	TD	PBTD	COMP. INTERVAL	FORM.	CASING PROGRAM
ACTIVE	PARKWAY 36 #7	SANTA FE	36D 19S 29E 660 FN & 330 FW	OIL	9/14/89	12/1/89	4850'	4694'	4216–4390'	DELA	11 3/4" @ 370' W/500 SXS 7" @ 3200' W/2717' SXS 4 1/2" @ 4850' W/450 SXS
ACTIVE	PARKWAY 36 #6	SANTA FE	36E 19S 29E 1980 FN & 330 FW	OIL	5/11/89	9/4/89	4790'	4464'	4360–4512'	DELA	11 3/4" @ 406' W/750 SXS 7" @ 3184' W/2235 SXS 4 1/2" @ 4790' W/580 SXS
ACTIVE	PARKWAY 36 #1	SANTA FE	36F 19S 29E 1980 FN & 1980 FW	OIL	12/3/86	3/7/87	12100'	3902'	3649–3661'	CHERRY CANYON	13 3/8" w 324' W/575 SXS 8 5/8" @ 3260' W/4935 SXS 5 1/2" @ 3993' W/385 SXS
ACTIVE	PARKWAY 36 #9	SANTA FE	36I 19S 29E 1980 FS & 330 FE	OIL	11/16/89	12/31/89	4660'	4617'	3747–3875'	DELA	20" 2 370' W/450 SXS 10 3/4" @ 1332' W/880 SXS 7" @ 3210' W/670 SXS 4 1/2" @ 4660' W/380 SXS
ACTIVE	PARKWAY 36 #4	SANTA FE	36K 19S 29E 1980 FS & 1650 FW	OIL	7/26/89	9/22/89	5000'	4403'	4266--4326'	DELA	11 3/4" @ 366' W/260 SXS 7" @ 3187' W/4612 SXS 4 1/2" @ 5000' W/580 SXS
ACTIVE	PARKWAY 36 #2	SANTA FE	36L 19S 29E 1980 FS & 330 FW	OIL	3/10/89	5/3/89	5000'	4903'	4006–4237'	DELA	11 3/4" @ 415' W/795 SXS 7" @ 3200' W/3835 SXS 4 1/2" @ 4980' W/700 SXS
ACTIVE	PARKWAY 36 #3	SANTA FE	36M 19S 29E 990 FS & 330 FW	OIL	5/2/89	7/17/89	5000'	4350'	4261–4327'	DELA	11 3/4" w 365' W/715 SXS 7" @ 3185' W/2135 SXS 4 1/2" @ 5000 S/580 SXS
NACTIVE	AGAVE IK ST #1	CHEVRON	2C 20S 29E 330 FN & 2310 FW	OIL	8/29/89	7/18/89	4600'	3665'	3747–4458'	DELA	20" @ 450 ' W/1125 SXS 13 3/8" @ 1159' W/1350 SXS 8 5/8" @ 3670' W/1600 SXS LNR 5 1/2" @ 3350–4600 W/250 S
ACTIVE	EDDY IK ST #1	CHEVRON	2G 20S 29E 1980 FN & 1980 FE	OIL	9/17/89	10/29/89	10850'	6250'	6058–6104'	BS	30" @ 40' CIRC CMT. 20" @ 450 W/1300 SXS 13 3/8" @ 1165' W/1140 SXS 8 5/8" @ 3510' W/1400 SXS 5 1/2" @ 6250' W/1060 SXS
ACTIVE	MERIDIAN #1	WESTALL	3D 20S 29E 660 FN & 660 FW	OIL	10/31/89	6/2/90	9500'	8070'	7930–8177'	BS	16" @ 265 2/280 SXS 11 3/4" @ 1454' W/720 SXS 8 5/8" @ 3212' W/1500 SXS 5 1/2" @ 8275' W/728 SXS

PARKWAY WATERFLOOD

STATUS	WELL NAME	OPERATOR	LOCATION	TYPE OF WELL	SPUD DATE	COMP. DATE	TD	PBTD	COMP. INTERVAL	FORM.	CASING PROGRAM
ACTIVE	STATE 25 COM #1	SOUTHLAND ROYALTY	25K 19S 29E 1980 FS & 2130' FW	OIL	8/21/79	2/11/80	12040'	11295	10564–732'	STRAWN	11 3/4" @ 412' W/400 SXS 8 5/8" @ 4000' W/1500 SXS 4 1/2" @ 12040' W/1085 SXS
ACTIVE	HALCON ST #1	STRATA	26G 19S 29E 1980' FN & 1980' FE	OIL	8/21/88	8/30/88		8372'	8088–8248'	BS	11 3/4" @ 365' W/350 SXS 8 5/8" @ 3135' W/3200 SXS 5 1/2" @ 8412' W/500 SXS
ACTIVE	PETCO ST COM #3	STRATA	26N 19S 29E 330 FS & 1980 FW	OIL	12/6/89	1/17/90	4740'	NA	4316–4458'	DELA	13 3/8" @ 358' W/350 SXS 8 5/8" @ 3325' W/2930 SXS 5 1/2" @ 4740' W/300 SXS
P & A	PETCO ST COM #2	PETCO	26N 19S 29E 660 FS & 1980 FW	OIL	5/24/71	7/4/71	10685'	9651'	9622–9646'	WOLF	11 3/4" @ 605 W/600 SXS 8 5/8" @ 3800' W/700 SXS 4 1/2" @ 9779' W/360 SXS
ACTIVE	HALCON ST #2	STRATA	26O 19S 29E 330 FS & 1980 FE	OIL	6/27/89	8/15/89	4730	4535'	4244–4258'	DELA	13 3/8" @ 357' W/350 SXS 8 5/8" @ 3285' W/300 SXS 5 1/2" @ 4730' W/250 SXS
ACTIVE	PETCO ST COM #1	PETCO	26P 19S 29E 760 FS & 660 FE	OIL	8/26/70	2/9/89	11880'	9000'	10655–659'	STRAWN	11 3/4" @ 600' W/600 SXS 8 5/8" @ 4090 W/600 SXS 5 1/2" @ 10844' W/400 SXS
ACTIVE	OSAGE FED #9	SIETE	34B 19S 29E 990 FS & 1980 FE	OIL	8/3/89	9/9/89	9400'	9358'	9256–9281'	WOLF	20" @ 343' W/615 SXS 13 3/8" @ 1141' W/1000 SXS 8 5/8" @ 3200' W/1050 SXS 5 1/2" @ 9400' W/700 SXS
ACTIVE	OSAGE FED #13	SIETE	34C 19S 29E 660 FN & 1980 FW	OIL	11/3/89	12/20/89	9400'	7200'	5595–5623'	BS	20" @ 344' W/660 SXS 13 3/8" @ 1141' W/1000 SXS 8 5/8" @ 3169' W/650 SXS 5 1/2" @ 9400' W/1685 SXS
ACTIVE	OSAGE FED #15	SIETE	34E 19S 29E 1650 FN & 2310 FW	OIL	1/16/90	2/3/90	8300'	8261'	5650–5623'	BS	20" @ 360' w 400 SXS 13 3/8" @ 1120' W/1000 SXS 8 5/8" @ 3200' W/750 SXS 5 1/2" @ 8300' W/1120 SXS
ACTIVE	OSAGE FED #8	SIETE	34G 19S 29E 1980 FN & 1980 FE	OIL	4/18/89	6/15/89	11900	11856'	5343–5256'	DELA	20" @ 340' W/635 SXS 8 5/8" @ 3200' W/750 SXS 5 1/2" @ 11900 W/2450 SXS

PARKWAY WATERFLOOD

STATUS	WELL NAME	OPERATOR	LOCATION	TYPE OF WELL	SPUD DATE	COMP. DATE	TD	PBTD	COMP. INTERVAL	FORM.	CASING PROGRAM
ACTIVE	OSAGE FED #10	SIETE	34H 19S 29E 1980 FN & 1980 FE	OIL	9/15/89	11/17/89	9500'	7239'	7034–7192'	BS	20" @ 347' W/510 SXS 13 3/8" @ 1150' W/750 SXS 8 5/8" @ 3200' W/1175 SXS 5 1/2" @ 9500' W/1300 SXS
ACTIVE	OSAGE FED #16	SIETE	34J 19S 29E 2310' FS & 1750' FE	OIL	2/10/90	3/28/90	8300'	8256'	7002–7072'	BS	20" @ 358' W/775 SXS 13 3/8" @ 1150' W/800 SXS 8 5/8" @ 3200' W/1350 SXS 5 1/2" @ 8300' W/925 SXS
ACTIVE	OSAGE FED #17	SIETE	34K 19S 29E 2310 FS & 2310 FW	OIL	11/12/90	1/20/91	9500'	8200'	6974–6991'	BS	20" @ 366' W/800 SXS 13 3/8" @ 1120' W/750 SXS 8 5/8" @ 3200' W/1400 SXS 5 1/2" @ 8243' W/990 SXS
ACTIVE	APACHE A FED #3	MERIDIAN	35A 19S 29E 890FN & 990 FE	OIL	3/22/89	4/12/89	4550'	4501'	4221–4239'	DELA	13 3/8" @ 359' W/955 SXS 8 5/8" @ 3200' W/1885 SXS 5 1/2" @ 4549' W/400 SXS
ACTIVE	APACHE A FED #2	MERIDIAN	35B 19S 29E 990 FN & 1980 FE	OIL	4/3/89	4/22/89	4550'	4504'	4136–4229'	DELA	13 3/8" @ 365' W/378 SXS 8 5/8" @ 3210' W/2300 SXS 5 1/2" @ 4550' W/500 SXS
ACTIVE	APACHE A FED #1	MERIDIAN	35C 19S 29E 990 FN & 2310 FW	OIL	4/13/89	6/16/89	4550'	4546'	3949–4264'	DELA	13 3/8" @ 372' W/725 SXS 8 5/8" @ 3200' W/2700 SXS 5 1/2" @ 4550' W/540 SXS
ACTIVE	APACHE A FED #4	MERIDIAN	35D 19S 29E 990 FN & 940 FW	OIL	7/13/89	8/16/89	4550'	4505'	4295–4461'	DELA	13 3/8" @ 353' W/465 SXS 8 5/8" @ 3200' W/4145 SXS 5 1/2" @ 4550' W/425 SXS
ACTIVE	TUESDAY A FED #1	WESTALL	3E 20S 29E 1400 FN & 990 FW	OIL	4/28/86	7/10/86	11700	9613'	9310–9378'	BS	16" @ 300' W/505 SXS 9 5/8" @ 3230' W/2365 SXS 7" @ 9613' W/1360 SXS
ACTIVE	WAYFARER AIY ST #1	YATES	25P 19S 29E 990 FS & 660 FE	OIL	2/28/91	6/23/91	12140'	10640'	10387–10394'	CISCO CANYON	20" @ 370' W/1000 SXS 13 3/8" @ 1372' W/1400 SXS 8 5/8" @ 3482' W/2250 SXS 5 1/2" @ 12140' W/2125 SXS
ACTIVE	PARKWAY WEST UNIT #10	UMC PET	27G 19S 29E 1980 FN & 1980 FE	OIL	11/23/91	2/10/82	11670'	11580'	11087–11466'	MORROW	11 3/4" @ 330' W/350 SXS 8 5/8" @ 3116' W/1960 SXS 4 1/2" @ 11670' W/1020 SXS

PARKWAY WATERFLOOD

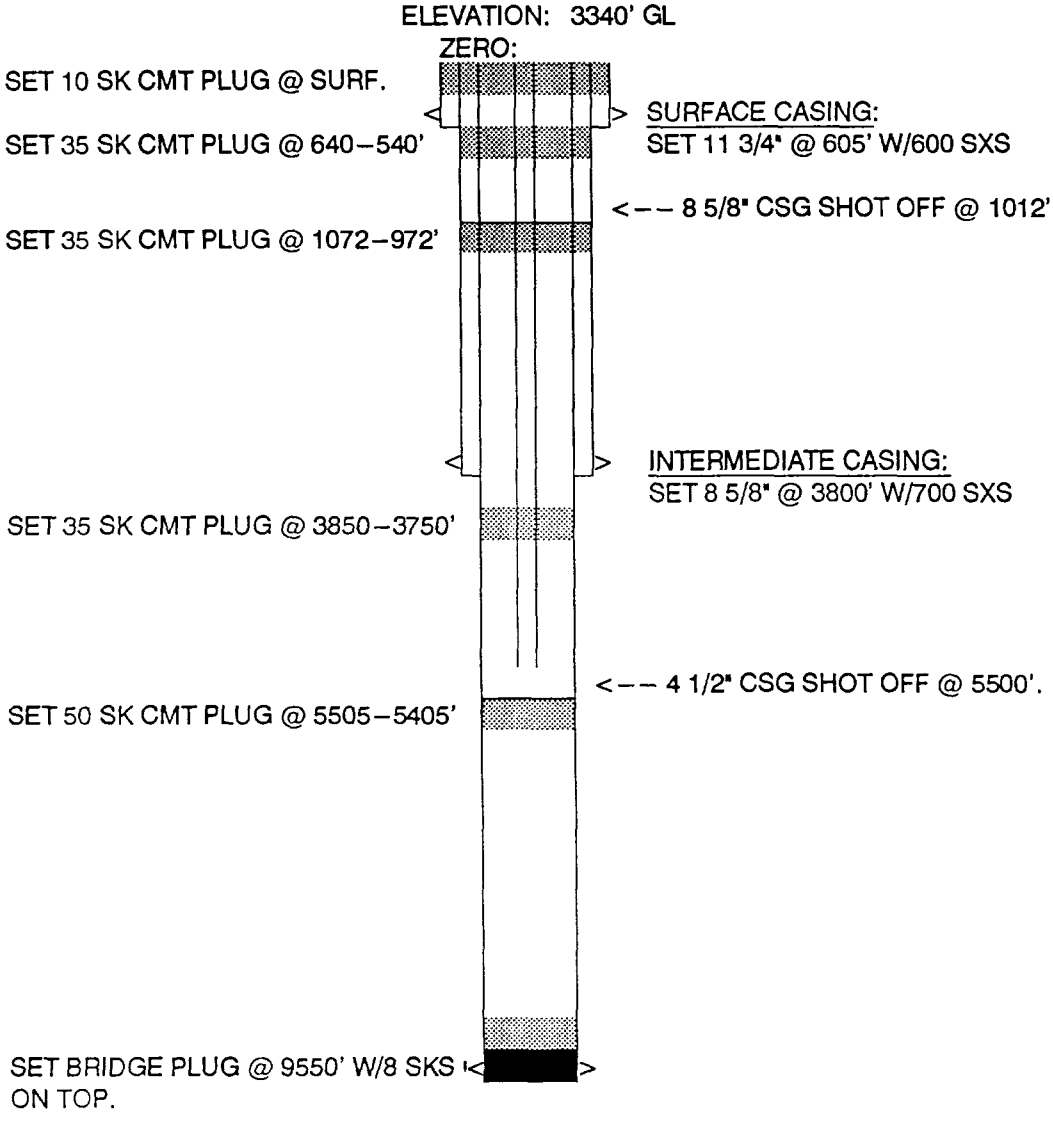
STATUS	WELL NAME	OPERATOR	LOCATION	TYPE OF WELL	SPUD DATE	COMP. DATE	TD	PBTD	COMP. INTERVAL	FORM.	CASING PROGRAM
SWD	TUESDAY FED #1	SIETE	34M 19S 29E 810 FS & 990 FW	OIL	1/11/85	5/16/85	12000'	11820'	6520–6614'	BS	13 3/8" @ 1120' W/700 SXS 9 5/8" @ 2972' W/775 SXS 7" @ 11908' W/2000 SXS
ACTIVE	SUPERIOR FED #9	PRESIDIO	1G 20S 29E 1830 FN & 1980 FE	OIL	12/28/90	4/21/91	12100'	11805'	10770–10824' 11226–11233'	STRAWN ATOKA	20" @ 467' W/1225 SXS 13 3/8" @ 1162' W/1125 SXS 8 5/8" @ 3450' W/1925 SXS 5 1/2" @ 11892' W/1700 SXS
ACTIVE	SUPERIOR FED #8	PRESIDIO	1N 20S 29E 990 FS & 2130 FW	OIL	4/5/90	6/29/90	11908'	11050'	10755–70770'	STRAWN	20" @ 456' W/820 SXS 13 3/8" @ 1158' W/795 SXS 8 5/8" @ 3450' W/1560 SXS 5 1/2" @ 11899' W/1710 SXS
ACTIVE	ANTHILL AAK ST #1	YATES	2O 20S 29E 660 FS & 2150 FE	OIL	8/31/84	1/17/85	12000'	11815'	10655–10732'	STRAWN	20" @ 40' CIRC CMT. 13 3/8" @ 635' W/615 SXS 7 5/8" @ 2662' W/3050 SXS 4 1/2" @ 12150' W/575 SXS
ACTIVE	FLATHEAD ST #1	SIETE	2B 20S 29E 330 FN & 1650 FE	OIL	7/26/90	9/3/90	4500'	4455'	4118–4146'	DELA	20" @ 340' W/570 SXS 13 3/8" @ 1250' W/930 SXS 8 5/8" @ 3000' W/1100 SXS 5 1/2" @ 4500' W/600 SXS
P & A	GETTY #1	LINEHAM & STOLTENBERG	35L 19S 29E 1980 FS & 660 FW	OIL	5/11/60	5/30/60	1605'	NA	NA	YATES	10" @ 160'/SET. 8 5/8" @ 260'/SET
D & A	APACHE "A" FED #5	SOUTHLAND ROYALTY	35D 19S 29E 890' FN & 840' FE	OIL	5/2/91	1/25/91	1600'	1540'	NONE	YATES	13 3/8" @ 220' W/350 SXS 8 5/8" @ 1470' W/425 SXS
P & A	TRIGOOD ST #1	KINCAID & WATSON	2E 20S 29E 1980' FN & 660' FW	OIL	7/20/62	8/10/63	1513'	NA	NONE	N/A	8 5/8" @ 357' w100 SXS 4 1/2" @ 1513' W/200 SXS
P & A	#1–35 FED. WALTER	UNION OIL OF CALIF.	35D 19S 29E 660' FN & 660' FW	OIL	11/22/55	1/9/56	6014'	NA	NONE	DELA	11 3/4" @ 153' W/150 SXS 8 5/8" @ 1200' W/250 SXS 5/1/2" @ 4700' W/225 SXS
P & A	LAMBIE FED #1	EPNG & TX CRUDE	3H 20S 29E 1980' FN & 660 FE	OIL	7/24/91	9/6/61	5690'	NA	NONE	BS	13 3/8" @ 304' W/400 SXS
T & A	PARKWAY 36–10	SANTA FE	36I 19S 29E 2240' FS & 660' FE	OIL	2/24/91	4/24/91	11354'	11260'	10853–58' 10798–851' 10698–714'	STRAWN	13 3/8" @ 1348' 8 5/8" @ 3198' 5 1/2" @ 11354'

THE PETROLEUM CORPORATION

WELL: PETCO STATE COM #2
FIELD: PARKWAY
INTERVAL: WOLFCAMP
Comp: 7/4/71
IP: N/A
Spudded: 5/24/71

LOCATION:
660' FSL & 1980' FWL
SEC 26 T19 R29
EDDY COUNTY, NM

API #:



DRAWN BY: BJG

TD: 10685
PBTD: 9651'

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OPERATOR		

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NEW MEXICO OIL CONSERVATION COMMISSION

FEB 24 1972

O. C. C.

Form C-103
Supersedes Old C-102 and C-103
Effective 1-1-65

5a. Indicate Type of Lease State [X] Fee [ ]

5. State Oil & Gas Lease No. L-3355

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT —" (FORM C-101) FOR SUCH PROPOSALS.)

1. OIL WELL [X] GAS WELL [ ] OTHER-

7. Unit Agreement Name

2. Name of Operator: THE PETROLEUM CORPORATION

8. Farm or Lease Name: Petco State Com.

3. Address of Operator: 3303 Lee Parkway, Dallas, Texas 75219

9. Well No. 2

4. Location of Well: UNIT LETTER N, 660 FEET FROM THE South LINE AND 1980 FEET FROM THE West LINE, SECTION 26 TOWNSHIP 19 RANGE 29 NMPM.

10. Field and Pool, or Wildcat: Parkway Wolfcamp

15. Elevation (*Show whether DF, RT, GR, etc.*): GL-3340

12. County: Eddy

16. Check Appropriate Box To Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK [ ]	PLUG AND ABANDON [ ]	REMEDIAL WORK [ ]	ALTERING CASING [ ]
TEMPORARILY ABANDON [ ]		COMMENCE DRILLING OPNS. [ ]	PLUG AND ABANDONMENT [X]
PULL OR ALTER CASING [ ]	CHANGE PLANS [ ]	CASING TEST AND CEMENT JOB [ ]	
OTHER [ ]		OTHER [ ]	

17. Describe Proposed or Completed Operations (*Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work*) SEE RULE 1103.

1. Loaded hole w/gel mud.
2. Set bridge plug at 9550' & dump 8 sxs. cement on top.
3. Shot 4-1/2" casing at 5500' & pulled 5500' of 4-1/2" casing.
4. Set 50 sack cement plug 5505 to 5405 feet.
5. Set 35 sack cement plug 3850 to 3750 feet.
6. Shot 8 5/8" casing at 1012 feet and pulled 1012 feet of 8-5/8" casing.
7. Set 35 sack cement plug 1072 to 972 feet.
8. Set 35 sack cement plug 640 to 540 feet.
9. Set 10 sack cement plug at surface.
10. Installed 4 inch marker 2-14-72

Prepare to clean up location -- will advise when ready for inspection.

18. I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNED Larry C Shaum TITLE Petroleum Engineer DATE Feb. 21, 1972

APPROVED BY Leslie C Clements TITLE OIL AND GAS INSPECTOR DATE JUN 14 1972

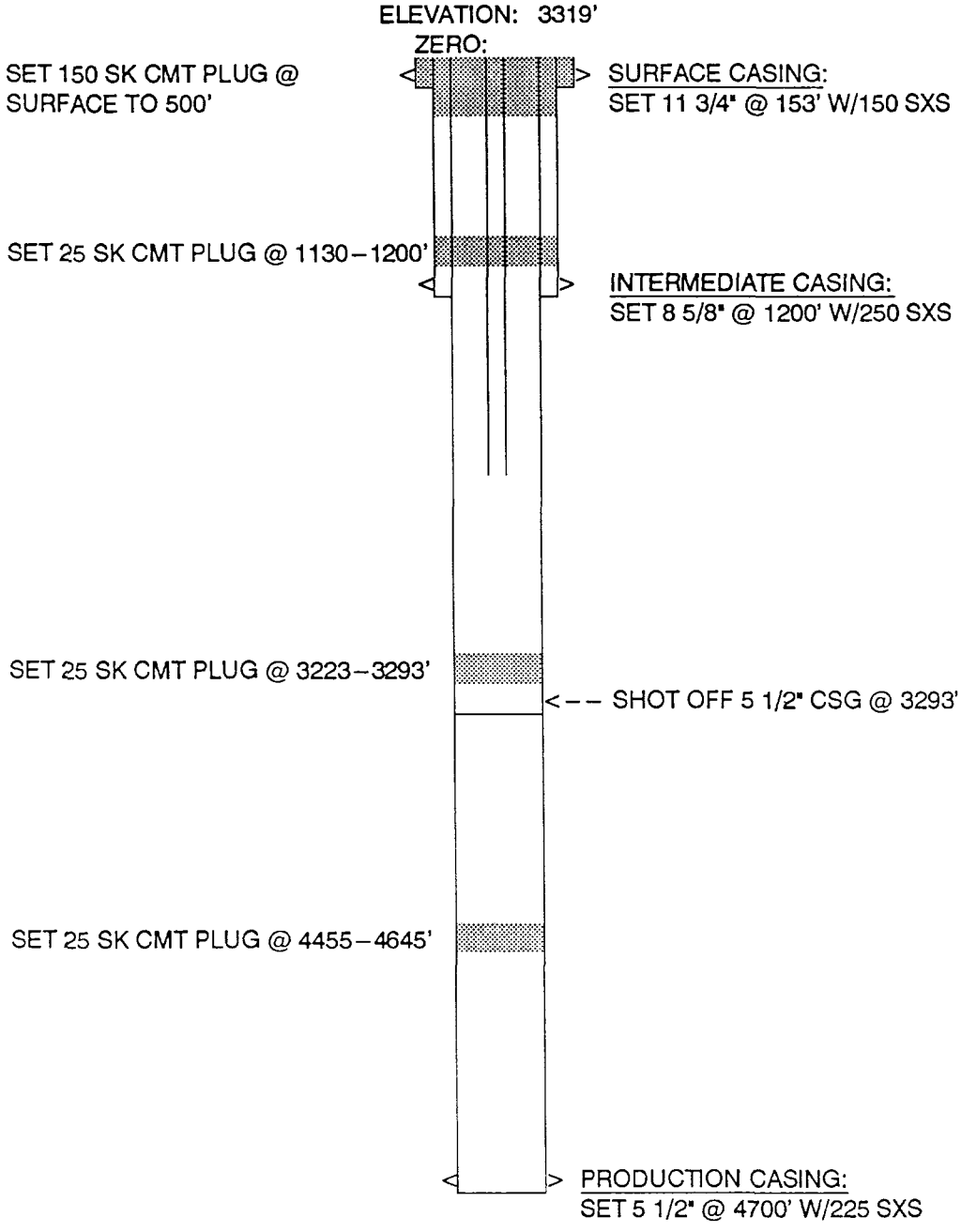
CONDITIONS OF APPROVAL, IF ANY:

SIETE OIL & GAS CORPORATION

WELL: #1–35 FEDERAL WALTER
FIELD: WILDCAT
INTERVAL: BONE SPRING
Comp: 1/9/56
IP: NONE
Spudded: 11/22/55

LOCATION:
660' FN & 660' FW
SEC 35 20S 29E
EDDY COUNTY, NM

API #:



DRAWN BY: BJG

TD: 6014'

Form 9-331 a
(Feb. 1951)

X			

Budget Bureau 42-R358.3.
Approval expires 12-31-55.

(SUBMIT IN TRIPLICATE)

Land Office

Lease No. [illegible]

Unit

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUNDRY NOTICES AND REPORTS ON WELLS

NOTICE OF INTENTION TO DRILL		SUBSEQUENT REPORT OF WATER SHUT-OFF	
NOTICE OF INTENTION TO CHANGE PLANS		SUBSEQUENT REPORT OF SHOOTING OR ACIDIZING	
NOTICE OF INTENTION TO TEST WATER SHUT-OFF		SUBSEQUENT REPORT OF ALTERING CASING	X
NOTICE OF INTENTION TO RE-DRILL OR REPAIR WELL		SUBSEQUENT REPORT OF RE-DRILLING OR REPAIR	
NOTICE OF INTENTION TO SHOOT OR ACIDIZE		SUBSEQUENT REPORT OF ABANDONMENT	X
NOTICE OF INTENTION TO PULL OR ALTER CASING		SUPPLEMENTARY WELL HISTORY	
NOTICE OF INTENTION TO ABANDON WELL			

(INDICATE ABOVE BY CHECK MARK NATURE OF REPORT, NOTICE, OR OTHER DATA)

January, 1956

Federal Walker
Well No. 1-33 is located 660 ft. from [N] line and 660 ft. from [W] line of sec. 33

NE/4 of Section 33 (¼ Sec. and Sec. No.) T-19-S (Twp.) R-29-E (Range) N.M.P.M. (Meridian)

Wildcat (Field) Eddy (County or Subdivision) New Mexico (State or Territory)

The elevation of the derrick floor above sea level is 3319 ft. (D.F.)

DETAILS OF WORK

(State names of and expected depths to objective sands; show sizes, weights, and lengths of proposed casings; indicate mudding jobs, cementing points, and all other important proposed work)

Spotted 25 sx. cement plug 4655-4695'. Shot off 5-1/2" casing at 3293' and recovered 3293' of 5-1/2" casing.
Spotted 25 sx. cement plugs at 3223-3293' and 1130-1200' and 150 sx. cement from surface to 300'.
The well was plugged and abandoned January 10, 1956, and marked with a 4" O.D. piece of pipe rising vertically 4' above ground level.

I understand that this plan of work must receive approval in writing by the Geological Survey before operations may be commenced.

Company Union Oil Company of California

Address 619 West Texas Avenue

Midland, Texas

By [signature]

Title Assistant Division Engineer

U. S. GOVERNMENT PRINTING OFFICE 16—8437-5

ILLEGIBLE

EDDY FIELD WILDCAT STATE N.M. KROENLEIN 2310-56

Union Oil Co. of Calif - #1-35 - Fed. ELEV. 3319'
Walter

660'FNL & FWL
Sec. 35, T. 19S, R. 29E

CASING RECORD

11 3/4- 153-150
8 5/8-1200-250
5 1/2-4700-225

TOPS

Anhy 195
B/Salt 257

T/Salt 1143
Yates 1335
Dela Sd. 3940
Bone Springs 5690

11-22-55 1-9-56

PGA

CP

Swb. 100% SW

TP

TD 6011' Lt.

PBD

CONT'D. PAGE 2

Crd. 1527-79 rec. 52'; 10' hard dse dolo, 5-1/2' dolo fxln stn. on vert fracs. 16' dolo shale ptgs. 6-1/2' sand grey some fluor por bldg. oil, 4' dolo hard dse NS. 10' lite grey sand, fluor bldg oil.
Crd. 3375-3424 rec. 49' dark grey fx dse, lime sulf.odor no show.
Crd. 3983-4033 rec.50' grey fg. sand w/sho of salt wtr.
DST 3952-4033 op 2 hrs. rec. 1150' MCSW w/NS FP 60-595# SIP 1445# 20 mins,
DST 4204-63 op 2 hrs. rec. 100' SO&HGCM, FP 70-80# SIP 95# 20 mins.
Took sidewall cores 3635-4906, SW Cores fgs w/SSG.
4616'fg sd stn, fluor, 4621' fg sd sli stn. 4623 fg sd goo fluor, 4625' fg. sd SSO. 4627' fg sd stn, fluor 4629' fg sd sli fluor 4635' fg sd no sho. 4638' fg sd no sho. 4849' fg w/SSG, 4861' fg sd w/SSG, 4887' fg sd shaley NS, 4906' fg sd NS.

CONT'D ON PAGE 3

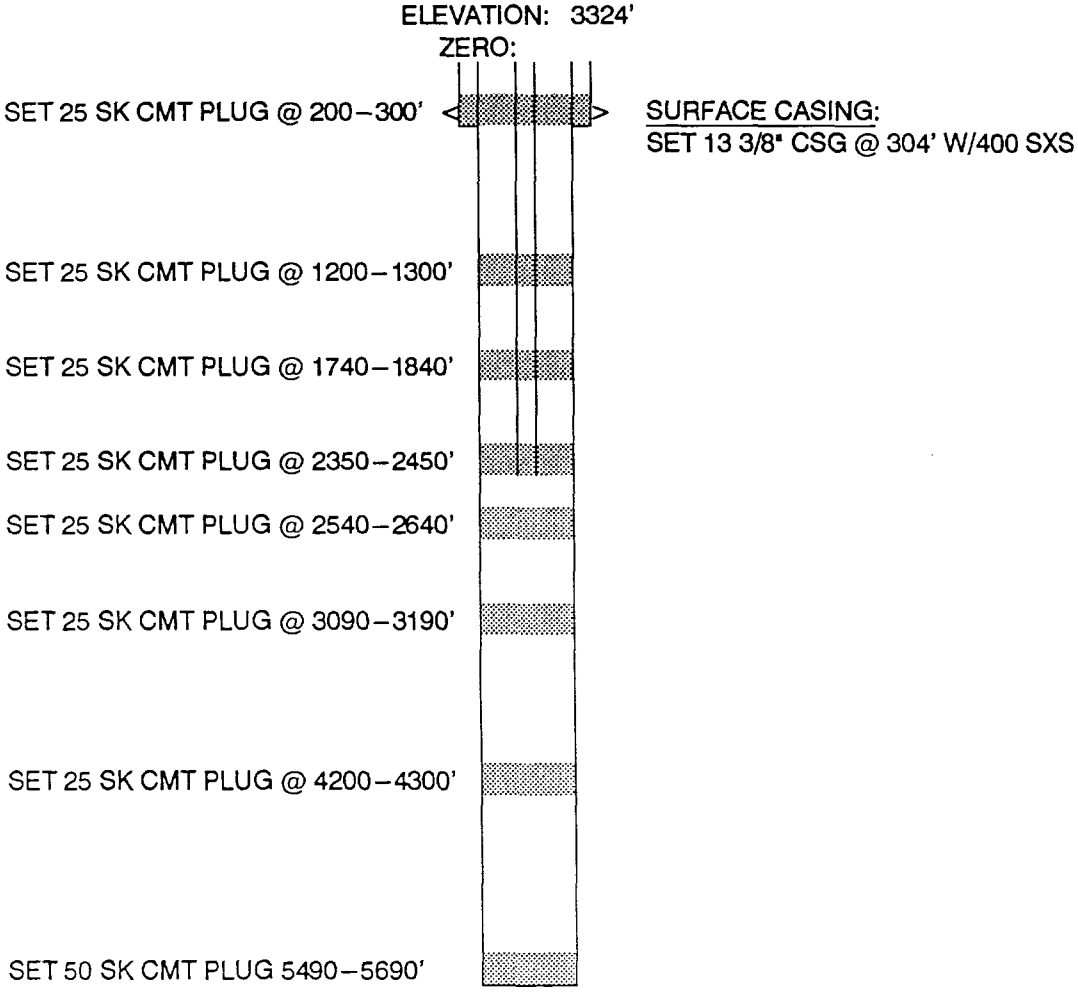
DST 4610-32 pkr failed str pkr.
DST 4611-4647 op 1 hr 30 mins rec. 150' s oil & GCM 5 to 10% oil FP 50# SIP 1225# 20 mins.
Perf 68/4612-29 A/500 MCA, SF 10,000 4612-29 Swb pm rt of load swb dry.

SIETE OIL & GAS CORPORATION

WELL: LAMBIE #1
FIELD: WILDCAT
INTERVAL: BONE SPRING
Comp: 9/6/61
IP:
Spudded: 7/24/61

LOCATION:
1980' FN & 660' FE
SEC 3 20S 29E
EDDY COUNTY, NM

API #:



DRAWN BY: BJG

TD: 5690'

COUNTY Eddy FIELD Wildcat STATE N.M. NO.

NC OPR. El Paso Natural Gas Co. & Texas Crude Oil Co. MAP

NO. 1 LSE. Lambie

SEC. 3 T. 20S BLK. R 29E SUR. CO-ORD.

LOC. 1980' fr N Line & 660' fr E Line of Sec.

MI. FROM P&A CLASS. EL. 3324

SPUD. 7-24-61 COMP. 9-6-61

TRT.	FORMATION	DATUM	FORMATION	DATUM
	LOG:			
	B Sprgs 5672'			
CSG. & SX.				
13 3/8" 304' 400				
TBG. DEPTH SIZE				
LOGS EL GR RA IND HC A				
	TD 5690' dolo		PB	

PROD. INT.	DAILY P RATE	BS&W	GR	GOR	GTY	C. P.	T. P.	CSG. TEST

PLUGGED & ABANDONED

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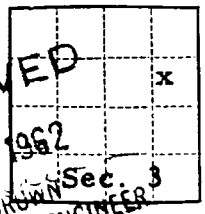
CONT. DATE F.R. 7-27-61 PROP. DEPTH 12,000' TYPE Devonian

7-31-61 Drlg. 2145' anhy. & dolo.
8-2-61 Amended proposed depth, was 5500' Bone Springs.
8-8-61 Drlg. 2590' dolo.
8-14-61 Drlg. 3750' dolo.
8-21-61 Drlg. 4456' dolo. & sd.
8-28-61 Drlg. 5142' dolo.
9-5-61 TD 5690' dolo., WOO. Ran logs at TD.
9-11-61 TD 5690' dolo., PLUGGED & ABANDONED.
No tests.

Form 9-331a
(Feb. 1951)

Budget Bureau No. 42-R358.4.
Approval expires 12-31-60.

Land Office New Mexico
Lease No. NM 01062
Unit Lambie Federal



(SUBMIT IN TRIPLICATE)

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPROVED
JUN 1 1962
A. R. BROWN
ACTING DISTRICT ENGINEER

JUN 5 1962

SUNDRY NOTICES AND REPORTS ON WELLS

NOTICE OF INTENTION TO DRILL		SUBSEQUENT REPORT OF WATER SHUT-OFF	
NOTICE OF INTENTION TO CHANGE PLANS		SUBSEQUENT REPORT OF SHOOTING OR ACIDIZING	
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NOTICE OF INTENTION TO SHOOT OR ACIDIZE		SUBSEQUENT REPORT OF ABANDONMENT	X
NOTICE OF INTENTION TO PULL OR ALTER CASING		SUPPLEMENTARY WELL HISTORY	
NOTICE OF INTENTION TO ABANDON WELL			

(INDICATE ABOVE BY CHECK MARK NATURE OF REPORT, NOTICE, OR OTHER DATA)

Lambie Federal #1 September 7, 1961

Well No. 1 is located 1980 ft. from {N / S} line and 660 ft. from {E / W} line of sec. 3

SE/4 NE/4 (¼ Sec. and Sec. No.) T-20-S (Twp.) R-29-E (Range) NMPM (Meridian)

Wildcat (Field) Eddy (County or Subdivision) New Mexico (State or Territory)

The elevation of the derrick floor above sea level is 3515.1 ft.

DETAILS OF WORK

(State names of and expected depths to objective sands; show sizes, weights, and lengths of proposed casings; indicate mudding jobs, cementing points, and all other important proposed work)

The above-described well was plugged and abandoned on September 6, 1961, setting the following cement plugs: (8 plugs from 5690' to 300')

1. 5690' to 5490' w/50 sx
2. 4300' to 4200' w/25 sx
3. 3190' to 3090' w/25 sx
4. 2640' to 2540' w/25 sx
5. 2450' to 2350' w/25 sx
6. 1840' to 1740' w/25 sx
7. 1300' to 1200' w/25 sx
8. 300' to 200' w/25 sx

JAN 30 1992

SEP 14 1961

A 3" iron pipe for well identification permanently set in the surface casing.

I understand that this plan of work must receive approval in writing by the Geological Survey before operations may be commenced.

Company El Paso Natural Gas Company & Texas Crude Oil Company

Address 2005 Wilco Building

Midland, Texas

By D. E. Lockett

D. E. Lockett

Title Division Petroleum Engineer

GPO 862040

WRS COMPLETION REPORT

COMPLETIONS SEC 2 TWP 20S RGE 29E
PI# 30-T-0017 06/21/91 30-015-26170-0000 PAGE 1

NMEX EDDY * 330FNL 990FEL SEC NE NE
STATE COUNTY FOOTAGE SPOT

CHEVRON USA D
OPERATOR WELL CLASS INIT FIN

2 AGAVE "IK" STATE
WELL NO. LEASE NAME

PARKWAY
OPER ELEV FIELD/POOL/AREA

API 30-015-26170-0000
LEASE NO. PERMIT OR WELL I.D. NO.

06/19/1991 ROTARY VERT AB-LOC
SPUD DATE COMP. DATE TYPE TOOL HOLE TYPE STATUS

5300 DELAWARE
PROJ. DEPTH PROJ. FORM CONTRACTOR

DRILLERS T.D. LOG T.D. PLUG BACK TD OLD T.D. FORM T.D.

LOCATION DESCRIPTION

16 MI NE CARLSBAD, NM

DRILLING PROGRESS DETAILS

CHEVRON USA
BOX 1150
MIDLAND, TX 79702
915-687-7100

08/18 LOC/1989/
06/19 ABND LOC

IC# 300157017289

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Petroleum Information Corporation

PI-W Form

SIETE OIL AND GAS CORPORATION

Parkway Waterflood Project

NMOCD Form C-108 Sections VII - XIII

VII. Injection Data

1. Injection Rates
   a. Proposed average daily water injection is 380 BWPD/Well.
   b. Maximum rate of daily water injection is 500 BWPD/Well.

2. The injection station for the gathering and processing injection water will be a closed system.

3. Injection Pressures
   a. Proposed average daily injection pressure is 700 PSI.
   b. Maximum daily injection pressure is 800 PSI*.
   * Note: Maximum injection pressure abides by .2 PSI/Ft maximum injection pressure imposed by the NMOCD.

4. Chemical analysis of injection and formation water (see attached water analysis).
   a. Proposed injection fluid will be produced Delaware water and water from the Tuesday Federal Salt Water Disposal Well. The Martin Water Lab analysis dated 2/12/92 , indicates no compatibility problems with mixing these two waters.

5. Water injection will be into a zone currently productive of oil and gas.

VIII. * Geologic Data: See Attached Geologic Description

IX. The Delaware zones to be completed will be perforated and fracture stimulated similar the existing completions. We anticipate perforating the zones with 1 shot per 1-1/2 feet and fracing with 40,000 gal and 115,000# sand.

X. Well logs for the wells to be converted have been previously submitted.

The well tests as of 1/1/92 are as follows:

	BOPD	BWPD	MCFPD	EST. CUM. PROD. MBO
APACHE 3-A	59	18	133	63
APACHE 4-A	20	40	45	17
OSAGE 5	2	20	90	55
RENEGADE 3	10	20	120	62
FLATHEAD 1	9	40	0	7

XI. The water analysis for the shallow fresh water zone is shown on the Martin Water Lab analysis dated 2/12/92.

XII. I, Robert Lee, a Production/Reservoir Engineer for Siete Oil and Gas Corporation and in behalf of, have compiled and examined all available geologic and engineering data and have not found any evidence of hydrologic connections between the proposed Parkway Delaware Waterflood Project injection zone and any source of underground drinking water.

XIII. Proof of Notice - requirements

1. See attached mailing list and registered mail certificates.

GEOLOGY

The Parkway (Delaware) Field produces oil and gas from the sandstones of the Permian age Delaware Mountain Group. In the Parkway Field, the major source area for the Delaware clastics was the Pedernal Massif to the northwest. Delaware sands accumulated on and behind the Capitan, Goat Seep and Getaway carbonate shelves during Guadalupian time. As the sand load increased to the point of being hydrologically and tectonically unstable, it moved as a gravity induced density flow through gaps in the reef, down the reef slope through channels and out into the Delaware Basin depocenter. Subsequently these clastics were reworked by deep-water longshore currents forming elongated sand bodies subparallel to the basin margin.

The Parkway (Delaware) Filed is a combination structural-stratigraphic trap of the upper portion of the Delaware Mountain Group clastics. The areal extent of the oil production portion of the Parkway anticlinal feature is slightly larger than one square mile. Stratigraphy plays an important role in the Parkway Field in that the Delaware sand interval is effectively divided by impermeable dolomitic shale barriers into three major reservoirs, the A, B, and C. The C reservoir is further subdivided by minor dolomitic shale barriers into the C1, C2, and C3. The C1, C2, and C3 reservoirs each have a distinct gas-oil contact. The cross-section is attached illustrating the subdivision of the Parkway (Delaware) field into the A, B, and C Sands.

The correlative well log tops for each of the Delaware A, B, and C sands were chosen by the Parkway Delaware Committee and independently verified by Michael G. Clemenson, Petroleum Geologist, retained by the Engineering Committee. A series of eight structural cross-sections through the Parkway Field were constructed to demonstrate the continuity and lateral thickness variations for each of the reservoirs, as well as to represent each interval where the wells had been perforated.

Delaware C Sand

The Delaware C Sand is a massive sand body with an overall average gross thickness of approximately 120 feet. The C Sand is the primary producing reservoir of the Parkway Field.

The top of the Delaware C Sand occurs at a subsea depth of -793 to -925 feet in the productive wells on the Parkway structure.

Figure 7 is a structure map on top of the C Sand. Seventeen well have been perforated in the Delaware C Sand. As previously noted, the Delaware C interval is subdivided by impermeable dolomitic shale barriers into three separate reservoirs, the C1, C2, and C3.

The need to subdivide the C Sand was recognized by varying gas-oil contacts within wells completed in the C Sand. Evidence that the C1, C2, and C3 are stratigraphically separate reservoirs was based on analysis of neutron-density crossover "gas effect" and production test data provided by the operators. The field wide correlation of dolomitic shale beds within the massive C Sand further confirmed that the C Sand was actually comprised of three separate reservoirs, each with its own distinct gas-oil contact. The subsea depth of the gas-oil contacts for each of the reservoirs are as follow:

C1 - -808 feet
C2 - -825 feet
C3 - -850 feet

The average gross interval from top to base if each of the reservoirs is as follow:

C1 - 15 feet
C2 - 36 feet
C3 - 70 feet

Isopach maps are attached showing gross thickness for the C1, C2, and C3.

Net sand isolith and net pay isopach maps of each of the reservoirs were constructed using data from the results of the well-log analysis generated by Platt, Sparks and Associates, Inc. These net sand isolith maps of the Delaware C1, C2, and C3 are also attached. These maps were constructed using log analysis cutoff parameters of porosity greater than or equal to 16% and shale column less than 50%. The average net thickness for each of the reservoirs is as follows:

C1 - 6 feet
C2 - 18 feet
C3 - 43 feet

Net gas pay isopach maps of the Delaware C1, C2, and C3 are attached. The net gas pay thickness were determined using log analysis cutoff parameters of porosity greater than 16% shale volume less that 50%, and water saturation less than 55%. The thickness of the gas cap was then mapped for each reservoir using that interval above the subsea depth of the gas-oil contacts listed above for the respective reservoirs.

The average thickness of the net gas pay for each reservoir is as follows:

C1 - 5 feet
C2 - 10 feet
C3 - 8 feet

Net oil pay isopach maps for the C1, C2, and C3 reservoirs using log analysis cutoff parameters of porosity greater than 16%, shale column less than 50%, and water saturation less than 55% were constructed and are attached. The interval mapped is from the base of the gas cap (gas-oil contact) to the subsea depth where water saturation exceeds 55%. The average thickness of the net oil pay for each reservoir is as follows:

C1 - 5 feet
C2 - 16 feet
C3 - 41 feet

Isopermeability maps for the C1, C2, and C3 reservoirs, using average permeability data generated by Platt, Sparks and Associates, Inc. were constructed and are presented.

Delaware B Sand

The top of the Delaware B Sand occurs at a subsea depth of approximately -655 to -831 feet in productive wells on the Parkway structure. The average gross thickness of the B Sand is 148 feet. The average net thickness of the B Sand using log analysis cutoff parameters of porosity greater than 15% and shale volume less than 50% os 85 feet. The Delaware B Sand has an average net pay thickness of 50 feet based on log analysis cutoff parameters of 15% porosity, shale volume less than 50%, and water saturations less than 55%. Figure 23 is a structure map on top of the B Sand. The B Sand is separated from the C Sand by 5 to 20 feet of dolomitic shale. Nine wells in the Parkway Field have been perforated in the B interval.

Delaware A Sand

The top of the Delaware A sand occurs at a subsea depth of approximately -590 to -700 feet in productive wells on the Parkway structure. The average gross thickness of the Delaware A Sand id 75 feet. The average net thickness of the A Sand using log analysis cutoff parameters of porosity greater than 15% and shale volume less than 50% is 50% is 40 feet. The Delaware A Sand has an average net pay thickness if 21 feet based on log analysis cutoff parameters of porosity greater than 15%, shale volume less than

50%, and water saturations less than 55%. The A Sand is separated from the B Sand by 5 to 17 feet of shale. Five wells in the Parkway Field have been perforated in the A Sand.

Fresh Water Zones

The Rustler Formation is an overlying fresh water zone that exists from 100-200; in depth. This zone has 767 ppm chlorides and total dissolved solids of 3481 ppm. See the attached Martin Water Lab analysis on 2/12/92. There are no underlying fresh water zones in this area.

P. O. BOX 1468
MONAHANS, TEXAS 79756
PH. 943-3234 OR 563-1040

Martin Water Laboratories, Inc.

709 W. INDIANA
MIDLAND, TEXAS 79701
PHONE 683-4521

RESULT OF WATER ANALYSES

LABORATORY NO. 29253

TO: Mr. Robert Lee
P. O. Box 2523, Roswell NM 88202

SAMPLE RECEIVED 2-5-92

RESULTS REPORTED 2-12-92

COMPANY Siete Oil & Gas Corporation LEASE Proposed Parkway Delaware Waterflood

FIELD OR POOL Parkway (Delaware)

SECTION ___ BLOCK ___ SURVEY ___ COUNTY Eddy STATE NM

SOURCE OF SAMPLE AND DATE TAKEN:

NO. 1 Raw water - taken from Osage #8 water supply well.

NO. 2 Produced water - taken from Osage #1.

NO. 3 Disposal water - taken from Tuesday Federal Salt Water Disposal.

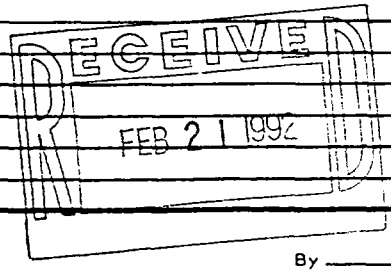
NO. 4 Raw water - taken from Amax water well.

REMARKS:

CHEMICAL AND PHYSICAL PROPERTIES	NO. 1	NO. 2	NO. 3	NO. 4
Specific Gravity at 60° F.	1.0045	1.1570	1.1352	1.1396
pH When Sampled				
pH When Received	4.73	6.94	6.96	7.68
Bicarbonate as HCO_3	78	66	146	200
Supersaturation as $CaCO_3$	--	8	12	4
Undersaturation as $CaCO_3$	236	--	--	--
Total Hardness as $CaCO_3$	2,040	59,000	49,000	16,000
Calcium as Ca	656	19,200	15,600	1,920
Magnesium as Mg	97	2,673	2,430	2,722
Sodium and/or Potassium	331	65,293	54,200	74,895
Sulfate as SO_4	1,552	589	461	6,169
Chloride as Cl	767	142,038	117,892	122,153
Iron as Fe	1.0	10.8	4.1	0.04
Barium as Ba				
Turbidity, Electric				
Color as Pt				
Total Solids, Calculated	3,481	229,858	190,729	208,059
Temperature °F.				
Carbon Dioxide, Calculated	0	14	23	7
Dissolved Oxygen,				
Hydrogen Sulfide	0.0	0.0	0.0	0.0
Resistivity, ohms/m at 77° F.	2.01	0.052	0.060	0.057
Suspended Oil				
Filtrable Solids as mg/l				
Volume Filtered, ml				

Results Reported As Milligrams Per Liter

Additional Determinations And Remarks



Form No. 3

By ___

P. O. BOX 1468
MONAHANS, TEXAS 79756
PH. 943-3234 OR 563-1040

Martin Water Laboratories, Inc.

709 W. INDIANA
MIDLAND, TEXAS 79701
PHONE 683-4521

RESULT OF WATER ANALYSES

LABORATORY NO. 29253 (Page 2)

TO: Mr. Robert Lee
P. O. Box 2523 Roswell, NM 88202

SAMPLE RECEIVED 2-5-92
RESULTS REPORTED 2-12-92

COMPANY Siete Oil & Gas Corporation LEASE Proposed Parkway Delaware Waterflood
FIELD OR POOL Parkway (Delaware)
SECTION ___ BLOCK ___ SURVEY ___ COUNTY Eddy STATE NM
SOURCE OF SAMPLE AND DATE TAKEN:
NO. 1 Raw water - taken from Eddy,Potash water well.
NO. 2 Amax Lake Water.
NO. 3
NO. 4
REMARKS: Mixed Water System

CHEMICAL AND PHYSICAL PROPERTIES	NO. 1	NO. 2	NO. 3	NO. 4
Specific Gravity at 60° F.	1.1657	1.2273		
pH When Sampled				
pH When Received	7.66	7.82		
Bicarbonate as HCO_3	120	102		
Supersaturation as $CaCO_3$	4	0		
Undersaturation as $CaCO_3$	--	--		
Total Hardness as $CaCO_3$	17,000	19,500		
Calcium as Ca	2,480	920		
Magnesium as Mg	2,624	4,180		
Sodium and/or Potassium	91,035	129,126		
Sulfate as SO_4	4,344	7,428		
Chloride as Cl	149,140	207,375		
Iron as Fe	0.54	0.54		
Barium as Ba				
Turbidity, Electric				
Color as Pt				
Total Solids, Calculated	249,743	349,132		
Temperature °F.				
Carbon Dioxide, Calculated	4	3		
Dissolved Oxygen,				
Hydrogen Sulfide	0.0	0.0		
Resistivity, ohms/m at 77° F.	0.051	0.041		
Suspended Oil				
Filtrable Solids as mg/l				
Volume Filtered, ml				

Results Reported As Milligrams Per Liter

Additional Determinations And Remarks: Letter of recommendation attached.

Form No. 3

By [signature]

Martin Water Laboratories, Inc.
WATER CONSULTANTS SINCE 1953
BACTERIAL AND CHEMICAL ANALYSES

P.O. BOX 1468
MONAHANS, TEXAS 79756
PH. 943-3234 or 563-1040

709 W. INDIANA
MIDLAND, TEXAS 79701
PHONE 683-4521

February 12, 1992

Mr. Robert Lee
Siete Oil & Gas Corporation
P. O. Box 2523
Roswell, NM 88202

Subject: Recommendation relative to Laboratory No. 29253 (2-5-92)
Proposed Parkway Delaware Waterflood.

Dear Mr. Lee:

As per your letter received 2-5-92, the objective of this study is to evaluate the compatibility between the various waters represented in the above listed analysis. Interpretations are made on the basis of water samples submitted and on the assumption that they represent the average characteristics of each water. We feel confident that these waters will likely be similar to this study; therefore, the interpretations herein should be valid. Those aspects of the study regarding the above objectives are as follows:

1. The supply water from Osage #8 shows to be compatible with all of the other individual waters. Therefore, we can consider it open regarding which water the supply water is mixed with for the purposed of compatibility. There are two factors to be considered in the supply water as follows:

    A. Any mixture of the supply water with any of the other waters would result in a relatively low-salinity water (about one-half the salt levels of any water or waters it is to be mixed with). We are not familiar with what level of chloride would be advisable to avoid clay swelling in the area.

    B. We would strongly consider it advisable to enclose the supply water regardless of which water or waters it is to be combined with. We feel it woud be distinctly advantageous to have no oxygen in this water for factors such as preventing bacterial activity and also precipitation of iron that is present in the produced water and the disposal water.

2. In this study we have two different types of water on the basis of their calcium and sulfate content. The produced water from Osage #1 and the Tuesday Federal disposal water both have a low sulfate and a high calcium. On the other hand, the waters from Amax and the Eddy potash water well as well as the Amax lake water have a high sulfate-low calcium level. Any combination of the high sulfate-high calcium waters would result in a severe supersaturation to calcium sulfate in the mixture. Therefore, these two types of waters cannot be mixed as the resulting detrimental condition would be serious in regard to potential calcium sulfate precipitation and scaling.

3. We have made a hypothetical combination of equal quantities of all the waters represented in the study, and this combination of waters also results in a supersaturation to calcium sulfate.

4. As revealed in the above discussion, it will then only be feasible to mix the supply water with one or both of the low-sulfate waters or mix the supply water with one or all of the high-sulfate waters.

5. We would clearly not recommend the Amax lake water be used. The reason for this is that the water is at the saturation point to sodium chloride, and it would be expected to cause serious salt deposits on all of the equipment trying to handle this water. The seriousness of the condition would fluctuate substantially with temperature variations both ambient and operational.

6. We find no evidence of any incompatibility between the produced water and the Tuesday Federal disposal water; therefore, these can be mixed with one another and also with the supply water from Osage #8 without any problem regarding compatibility if the supply water is kept free of any air contamination.

7. It is considered significant that if the high-sulfate waters or any mixture of these waters with supply water is injected, they will be incompatible in situ with the natural connate water in the Delaware interval. This would be expected to be a negative influence as there may be in situ precipitation and/or calcium sulfate scaling at the producing wells.

In the composite evidence, we have attempted to present with reasonable clarification in the above discussions what the potential concerns would be regarding the compatibility of the waters involved. We are not familiar with the overall detailed circumstances and present our recommendations based solely on the least amount of incompatibility in water handling problems. With this understood, we would recommend consideration be given to using the supply water from Osage #8 and mixing it with either the produced water or water from the Tuesday Federal disposal well or both of them. We would conclude that this approach would result in a minimum amount of water handling difficulties as well as minimum incompatibility in the reservoir to be flooded. We would consider this approach sufficiently advantageous to perform tests regarding a hypothetial combination of these waters with the core that is available to see if the salinity would be adequate. If this is not completely clear or not compatible with your operation, please contact us; and we will attempt to clarify any desired points needed.

Very truly yours,

Waylan C. Martin

WCM/plm

OPERATORS WITHIN THE WATERFLOOD PROJECT AND OFFSET
OPERATORS WITHIN ONE-HALF MILE OF INJECTION WELLS

Meridian Oil, Inc.
P. O. Box 51810
Midland, Texas 79710-1810
Attn: Mo Gaddis

Yates Petroleum
Corporation
105 South Fourth Street
Artesia, New Mexico 88210

Ray Westall
P. O. Box 4
Loco Hills, NM 88255

Collins & Ware
303 West Wall Avenue
Suite 2200
Midland, Texas 79701

UMC Petroleum
1201 Louisiana, Suite 1400
Houston, TX 77002
Attn: Brian Baer

Fortson Oil Company
301 Commerce St, Ste.3301
Fort Worth, TX 76102
Attn: Jack Evecker

Strata Production Company
700 Petroleum Building
Roswell, NM 88201
Attn: George L. Scott

Presidio Oil Company
P. O. Box 6525
Englewood, Colorado 80155-6525
Attn: Marshall Munsell, Land Manager

Santa Fe Energy Resources, Inc.
550 W. Texas Ave., Suite 1330
Midland, Texas 79701
Attn: Randy Offenberger

Chevron, Inc.
P. O. Box 1150
Midland, Texas 79702
Attn: Larry La Fleur

Conoco, Inc.
10 Desta Drive, Suite 100 W.
Midland, Texas 79705-4500
Attn: Peggy Sutko

Eastland Oil Company, Inc.
Drawer 3488
Midland, Texas 79702
Attn: Travis Reed

SURFACE OWNERS:

Department of the Interior
Bureau of Land Management
Post Office Box 1397
Roswell, New Mexico 88201-1397

Commissioner of Public Lands
State of New Mexico
Post Office Box 1148
Santa Fe, New Mexico 87504-1148

SIETE OIL & GAS CORPORATION

Petroleum Building Suite 200
P.O. Box 2523 Roswell, New Mexico 88202, USA
Telephone (505) 622-2202
FAX (505) 622-2297

July 28, 1992

RE: Parkway Delaware Waterflood
AFE's and Unit Agreements

Dear Working Interest Owner:

Siete Oil and Gas proposes initiating a waterflood in the Parkway Delaware Field. This project is expected to cost $3,365,015 and will recover 4,525,000 barrels. If this project meets your approval please sign and return a copy of the attached AFE's and Unit Agreements signature page.

ENGINEERING DISCUSSION

A reservoir engineering study of the Parkway Delaware Field has been performed to determine the feasibility of a waterflood project. The field, located in Eddy County, New Mexico, is approximately 15 miles northeast of Carlsbad. The Field was discovered in August, 1988 with the completion of the Osage Federal #1 well. There are three distinct reservoir sands in the field which have been named as follows: Sand A, Sand B and Sand C. These sand bodies can be seen in the attached Cross-Section, Attachment #1.

The A, B, and C sands were analyzed in detail. The C Sand is more continuous throughout the field, has better permeability-thickness and contains the majority of the oil in place. Therefore a detailed reservoir study was undertaken to determine the feasibility of a waterflood project in the C Sand reservoir. A black oil simulation model was used for this study.

The Delaware Sand is an anticline structure bounded on all sides by a low permeability water transition zone. The reservoir is a combination structural-stratigraphic trap.

There are currently twenty-three producing wells in the field. Sixteen of these wells are producing from the C Sand, nine from the B Sand and five from the A Sand. Some wells produce from 2 or 3 of the sands. Cumulative oil production from the field as of March 1, 1992 is 1,188,698 STB. The estimated cumulative production is 958,808 STB from the C Sand, 144,674 STB from the B Sand and 85,216 STB from the A Sand. A graph of the field performance is shown on

BEFORE EXAMINER CATANACH
OIL CONSERVATION DIVISION
SIETE OIL & GAS CORP. EXHIBIT NO. 2
CASE NO. 10618 and 10619

Attachment #2.

The production and pressure performance indicates the drive mechanism in all the sands is solution gas drive. The initial pressure and estimated current pressure in the C Sand is 1835 psia and 1487 psia, respectively. The C Sand producing gas-oil-ratio has increased from an initial GOR of 480 SCF/STB to the current GOR of 2800 SCF/STB.

The A Sand initial pressure is 1743 psia with an estimated current pressure of 1241 psia. The producing GOR has increased from the initial 465 SCF/STB to the current GOR of 2100 SCF/STB.

The B Sand estimated initial pressure is 1772 psia. The producing GOR has increased from the initial 470 SCF/STB to the current GOR of 2500 SCF/STB.

Individual well performance and geologic interpretation were used to determine the C Sand has three distinct sand bodies separated by minor dolomitic shales. The C Sand was therefore subdivided into three sands, the C1, C2, and C3 Sands in order to better simulate past and future performance.

The initial reservoir pressure in the C Sand is 1838 psia and the reservoir is saturated at initial conditions with a very small initial gas cap. There is no initial gas cap in the A and B Sands. The results of the reservoir characterization indicate the C Sand behaves like a layered reservoir with limited vertical flow between layers. Due to fracture stimulation, there is good vertical communication around the wellbore.

The initial oil-in-place is 31,250,000 STB from the simulation characterization work of the C Sand. The primary recoverable oil is 2,686,000 STB or 8.6% of the initial oil-in-place. The maximum recoverable oil is 7,211,000 STB as a result of waterflooding on a 5-spot pattern from the current perforated intervals.

Thickness and porosity were computed from a detailed well-log analysis of all the wells in the field. The relative permeability end-points and capillary pressure data were obtained from the Longknife Federal 35 #1 special core analysis study performed by Core Laboratories. A correlation was established between core permeability and well-log porosity in the A, B, and C Sands. These correlations were used to determine individual well permeability in the A, B, C1, C2, and C3 Sand reservoirs. The calculated permeabilities were compared to results of pressure build-up analysis for consistency. The pressure data were obtained from build-up analysis and from static pressure tests. The Osage Federal #2 laboratory PVT data was used to develop the hydrocarbon fluid properties used in this study.

The estimated initial oil-in-place in the A Sand is 11,428,000 STB and the B Sand oil-in-place is 27,919,600 STB.

CONCLUSIONS

The following conclusions are based on the data analysis of the A and B Sands and the detailed reservoir engineering analysis of the C Sand.

1. An increase in ultimate oil recovery can be expected if the field is waterflooded.

2. Estimated primary recovery is 2,686,000 STB or 8.6% of the initial oil-in-place.

3. A waterflood on a 5-spot pattern with infill drilling will result in the maximum ultimate recovery.

4. The initial oil-in-place in the C Sand is 31,250,000 STB and 16,211,100 MCF of gas.

5. An incremental recovery of 4,525,000 STB can be realized by waterflood from the C Sand, if nine wells are drilled as injectors.

6. The ultimate recovery can be increased if the reservoir is produced to a 95% water-cut. The waterflood run was terminated at year 2016. The predicted water-cut at that time was 90%.

7. The estimated initial oil-in-place in the A Sand is 11,428,000 STB and the B Sand oil-in-place is 27,919,600 STB.

8. The reservoir drive mechanism for Sand A, B and C is solution gas drive.

9. The C Sand has three distinct sand bodies, each separated by non-permeable dolomitic shale which impedes vertical flow in the reservoir; however the sands are in pressure communication.

10. As a result of fracture stimulation, there is good vertical flow between the sands in the vicinity of the wellbore.

RECOMMENDATIONS

1. A waterflood pilot project should be undertaken in the better part of the reservoir. Based on the results of the pilot, the waterflood should be expanded to the entire reservoir.

2. Pressure build-up surveys should continue every 6 months. In addition, TDT logs should be run on some

of the wells prior to the start of waterflooding and as the project progresses. This will be useful in monitoring the flood performance and in the determination of unswept regions for possible infill drilling of producing wells.

3. At the start of injection, the water injection rate should be kept at or above 110% of the reservoir voidage in order to increase reservoir pressure and reduce gas saturation. After fill-up, the injection rate should be kept between 100% and 110% of total reservoir voidage so oil will not be bypassed due to high injection rates.

4. Step rate tests should be performed on each injection well and water injection should occur below the formation parting pressure. This will determine the final rates of injection.

UNITIZATION DISCUSSION

It is proposed the following parameters make up the corresponding percentage of the Unit:

1. Recoverable oil reserves	40%
2. Remaining oil reserves	35%
3. Usable wellbores	5%
4. Recoverable gas reserves	10%
5. Remaining gas reserves	10%

Each sand is also considered to have different percentages of the unit. The percent each sand contributes to the unit is based on its recoverable oil reserves and is as follows:

A Sand	1,051,585 BBL.	25.66%
B Sand	137,938 BBL.	3.37%
C Sand	2,908,659 BBL.	70.97%

The proposed unit is divided into 11 tracts, Attachment #3, based on common working and revenue interests. The study allocated the parameters for each sand to each tract. These allocations determine the percent of the unit each tract comprises. To calculate a tracts participation factor, the parameters for each sand, attributable to the tract, is multiplied by the sand participation factor. The Tract Participation Formula is shown on Attachment #4.

The various parameters for each sand are based on the extensive study Platt, Sparks and Associates performed. The unit parameters are listed below for each sand.

	A SAND	B SAND	C SAND
Recoverable oil	1,051,585 BBL.	137,938 BBL	2,908,659 BBL.
Remaining oil	963,598 BBL.	9,625 BBL.	2,004,349 BBL.
Usable wellbores	22	22	22
Recoverable gas	4,203,778 MCF	550,761 MCF	11,768,123 MCF
Remaining gas	4,045,989 MCF	273,643 MCF	10,228,157 MCF

These parameters are broken down by tract on Attachment #5a-5c. Attachment #6 also shows the percent of the unit each tract earns. Attachment #7 is a list of all the Unit Working Interest Owners and their proposed Unit Working Interest.

ECONOMICS

This project is expected to cost $3,365,015 and recover an additional 4,525,000 BBL of reserves. Attachment #8 shows the incremental waterflood production. The capital will be split into Phase 1 and Phase 2 expenditures. Phase 1, costing $1,154,225, is to be implemented as soon as all necessary approvals are received. This will consist of building the waterflood facilities, converting 5 wells and drilling 2 injection wells. This will constitute the pilot project. The Phase 1 AFE is Attachment #9.

Phase 2 will cost $2,163,000. Once response is seen the additional wells will be drilled in 1993. The future well locations may change based on the results seen from the pilot. The Phase 2 AFE is Attachment #10. An AFE for a typical injection well is enclosed. This does not need to be signed because the total drilling costs are included in the Phase 1 & 2 AFE's. Attachment #11 is a map showing the proposed conversions Phase 1 injectors and Phase 2 injectors.

Attachment #12 shows the economics for this project. The flood will generate $62,480,348 in future net revenue. This is a payout multiple of over 18. The flood has a value discounted at 10% of $20,570,072. The project will payout in 3.5 years and generate a rate of return of 48%.

UPSIDE

The economics do not reflect the waterflood potential of the

A or B Sands. These sands will be opened and flooded later in the life of the C Sand flood. This allows time to fully analyze the benefits to the C Sand and will be more efficient operationally. The capital required will be minimal. We will only need to open up the A and B Sands in the wells with these zones present. Potential reserves for these horizons is 1,850,000 BBL.

Please sign the return copies of the attached AFE's and the Unit Agreements. Your prompt attention to this proposal is greatly appreciated. If you have any questions please contact me.

Sincerely,

Robert Lee
Production Manager

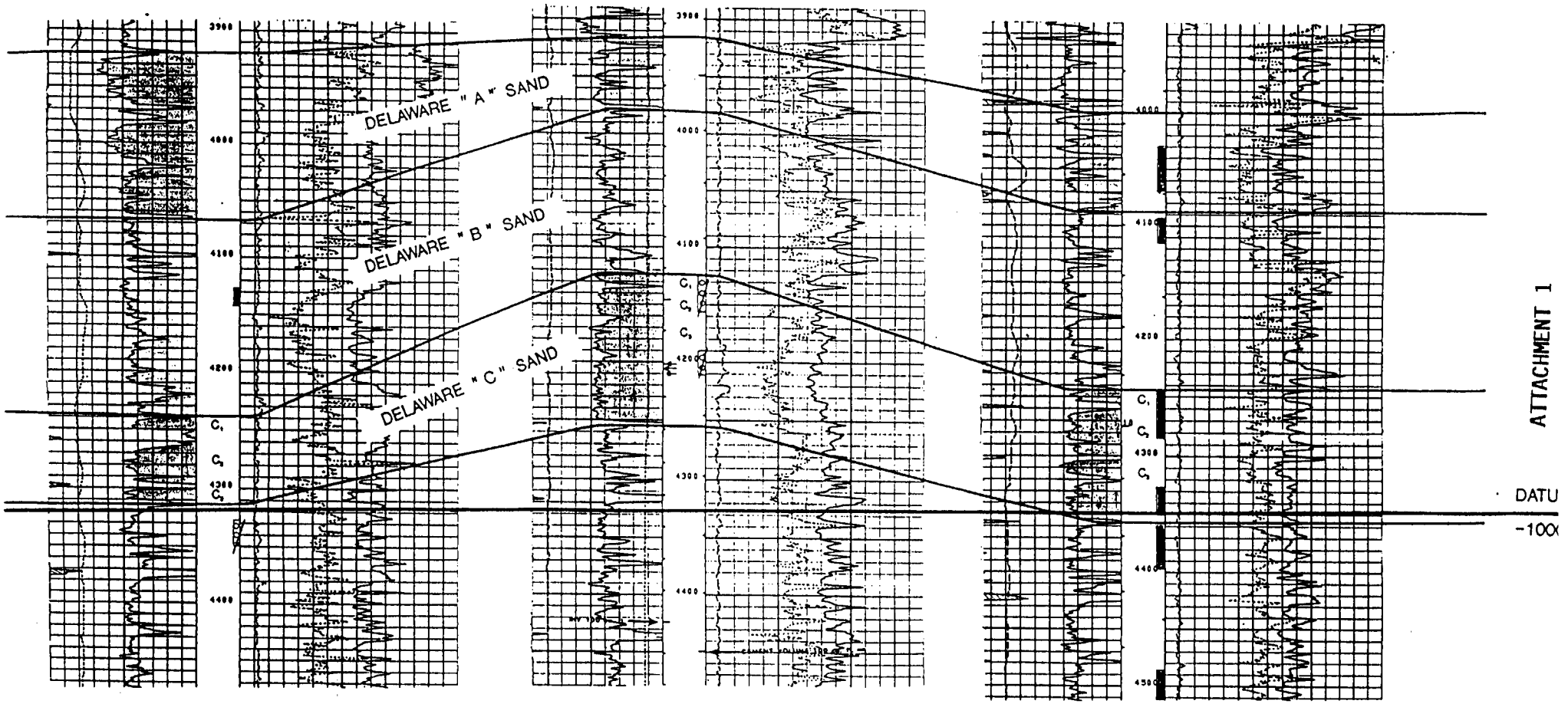
WEST

EAST

SIETE OIL AND GAS CORP.
#3 RENEGADE FEDERAL

SIETE OIL AND GAS CORP.
#2 RENEGADE FEDERAL

SANTA FE ENERGY
#6 PARKWAY 36 STATE



PERFS: 4127' - 4142' " B " SAND

3 SLOTS: 4203' - 12' " C " SAND

OLD PERFS: 4244' - 4512' " C " SAND

NEW PERFS: 4093' - 4115' " B " SAND

4029' - 4069' " A " SAND

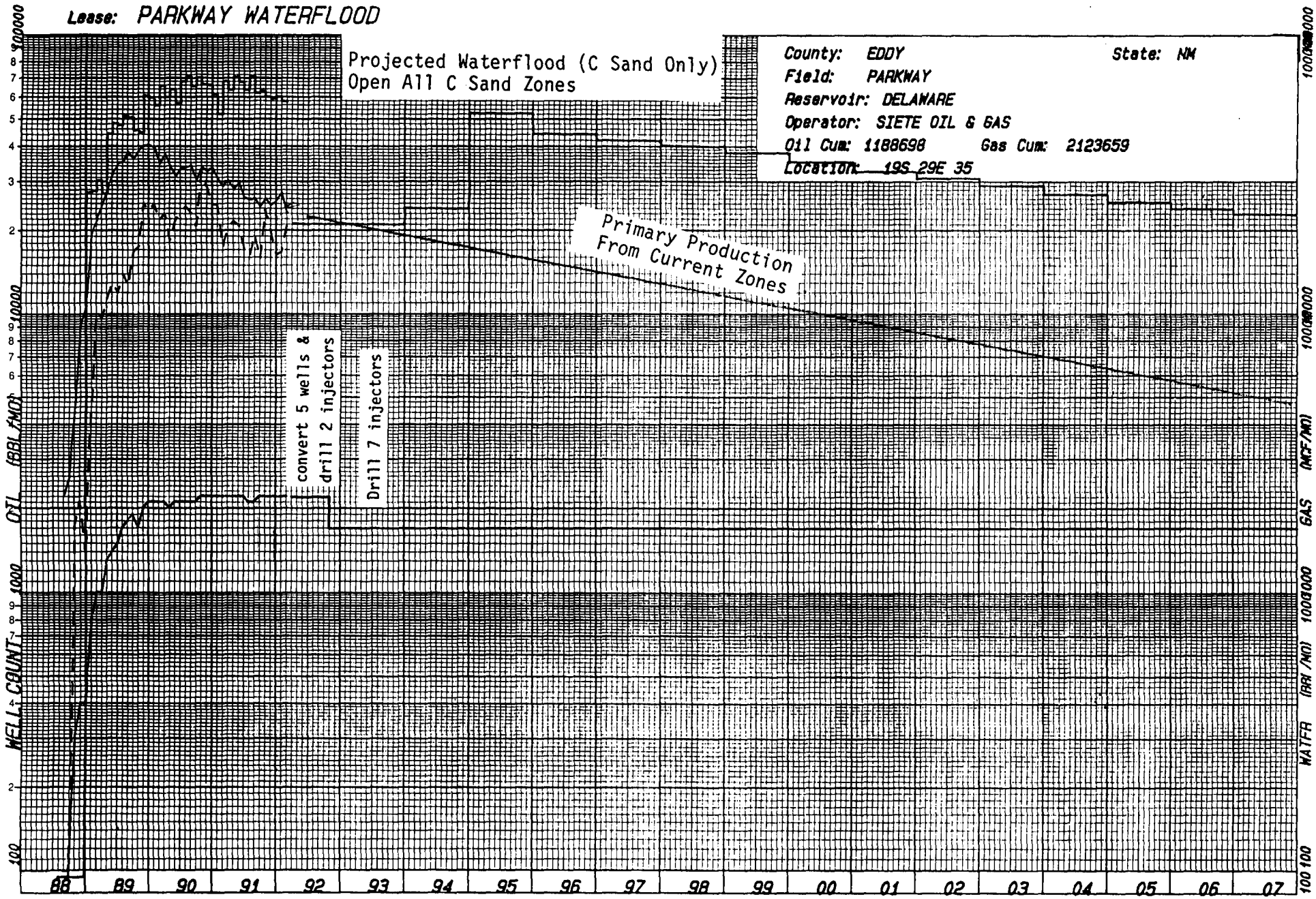
WEST - EAST STRUCTURAL CROSS-SECTION

PARKWAY (DELAWARE) FIELD

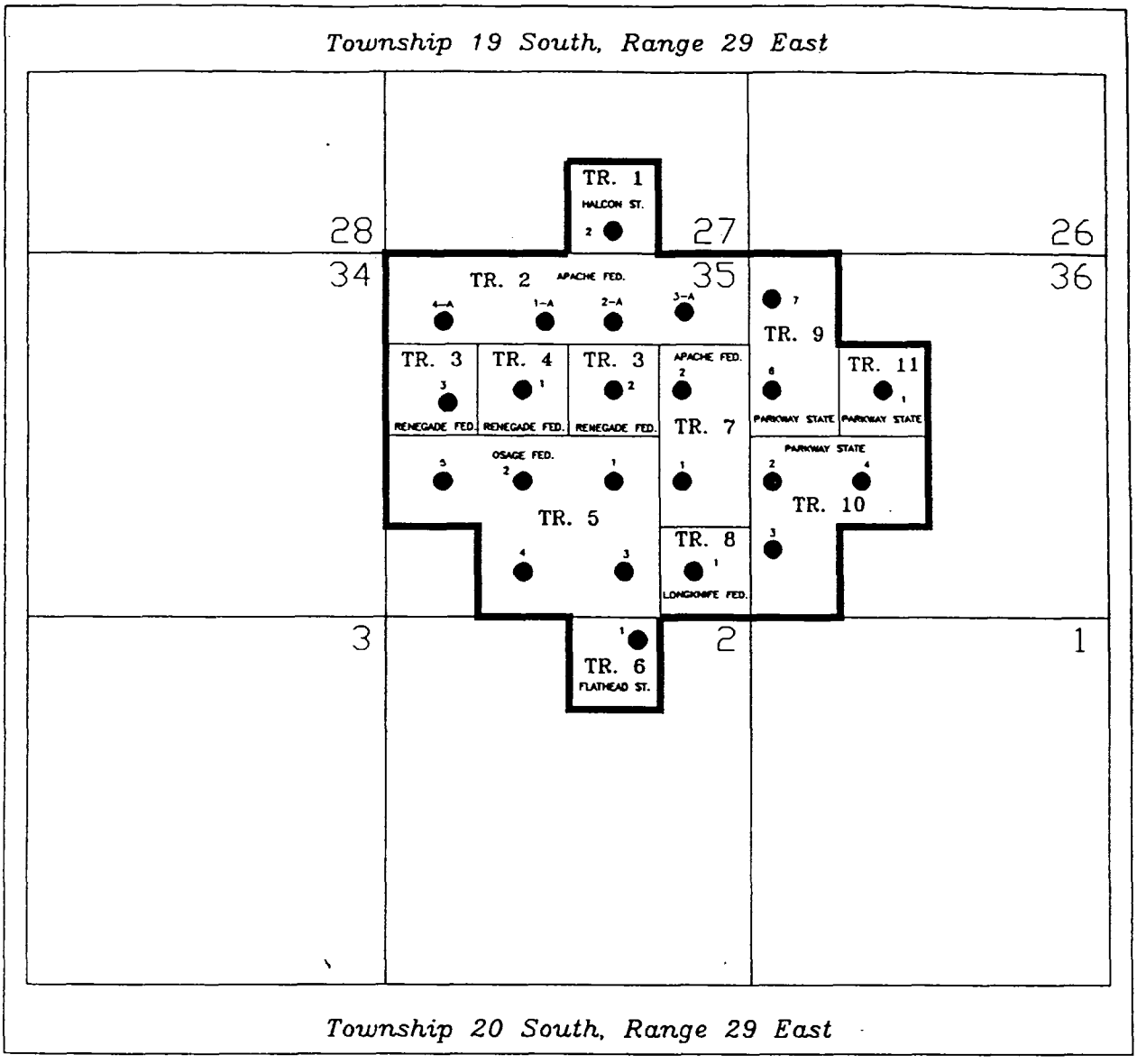
EDDY COUNTY, NEW MEXICO

SCALE: NONE

GEOLOGY BY: M. G. CLEMENSON 1 / 92



ATTACHMENT 2



SIETE OIL & GAS CORPORATION

EDDY COUNTY, NEW MEXICO

PARKWAY FIELD

PROPOSED WATERFLOOD

ATTACHMENT 3

TRACT PARTICIPATION FORMULA

TRACT FACTOR={(.7097)[(% Recoverable C Sand oil)(.4)+(% Remaining C Sand oil)(.35)+(% Usable wellbores in C Sand)(.05)+(% Remaining C Sand gas)(.1)+(% Recoverable C Sand gas)(.1)]} + {(.0337)[(% Recoverable B Sand oil)(.4)+(% Remaining B Sand oil)(.35)+(% Usable wellbores in B Sand)(.05)+(% Remaining B Sand gas)(.1)+(% Recoverable B sand gas)(.1)]} + {(.2566)[(% Recoverable A sand oil)(.4)+(% Remaining A sand oil)(.35)+(% Usable wellbores in A Sand)(.05)+(% Remaining A sand gas)(.1)+(% Recoverable A sand gas)(.1)]}

PARKWAY WATERFLOOD UNIT PARAMETERS

"A" SAND – 25.66% OF TOTAL

TRACT	RECOV. OIL MSTB	PERCENT OF RECOV. OIL	PARTICIP. FACTOR 0.4	REMAINING OIL MSTB	PERCENT OF REM. OIL	PARTICIP. FACTOR 0.35	USABLE WELLS	PERCENT OF TOTAL WELLS	PARTICIP. FACTOR 0.05	REM. GAS MMCF	PERCENT OF TOTAL	PARTICIP. FACTOR 0.1	RECOV. GAS MMCF	PERCENT OF TOTAL GAS	PARTICIP. FACTOR 0.1	UNIT INTEREST
1	0.000	0.0000	0.0000	0.000	0.0000	0.0000	1	4.5455	0.2273	0.000	0.0000	0.0000	0.000	0.0000	0.0000	0.0583
2	435.735	41.4360	16.5744	362.926	37.6636	13.1823	4	18.1818	0.9091	1607.072	39.7201	3.9720	1742.940	41.4613	4.1461	9.9520
3	201.399	19.1519	7.6608	201.399	20.9007	7.3153	2	9.0909	0.4545	805.596	19.9110	1.9911	805.596	19.1636	1.9164	4.9621
4	9.609	0.9138	0.3655	6.487	0.6732	0.2356	1	4.5455	0.2273	32.742	0.8092	0.0809	38.436	0.9143	0.0914	0.2568
5	204.000	19.3993	7.7597	204.000	21.1707	7.4097	5	22.7273	1.1364	816.000	20.1681	2.0168	816.000	19.4111	1.9411	5.1997
6	0.000	0.0000	0.0000	0.000	0.0000	0.0000	1	4.5455	0.2273	0.000	0.0000	0.0000	0.000	0.0000	0.0000	0.0583
7	158.559	15.0781	6.0312	154.804	16.0652	5.6228	2	9.0909	0.4545	630.408	15.5811	1.5581	634.236	15.0873	1.5087	3.8940
8	0.000	0.0000	0.0000	0.000	0.0000	0.0000	1	4.5455	0.2273	0.000	0.0000	0.0000	0.000	0.0000	0.0000	0.0583
9	41.167	3.9148	1.5659	33.982	3.5266	1.2343	2	9.0909	0.4545	154.171	3.8105	0.3810	164.668	3.9171	0.3917	1.0335
10	1.116	0.1061	0.0425	0.000	0.0000	0.0000	3	13.6364	0.6818	0.000	0.0000	0.0000	1.902	0.0452	0.0045	0.1870
11	0.000	0.0000	0.0000	0.000	0.0000	0.0000	0	0.0000	0.0000	0.000	0.0000	0.0000	0.000	0.0000	0.0000	0.0000
TOTALS	1051.585	100.0000	40.0000	963.598	100.0000	35.0000	22.000	100.0000	5.0000	4045.989	100.0000	10.0000	4203.778	100.0000	10.0000	25.6600

ATTACHMENT 5a

PARKWAY WATERFLOOD UNIT PARAMETERS

"B" SAND – 3.37% OF TOTAL

TRACT	RECOV. OIL MSTB	PERCENT OF RECOV. OIL	PARTICIP. FACTOR 0.4	REMAINING OIL MSTB	PERCENT OF REM. OIL	PARTICIP. FACTOR 0.35	USABLE WELLS	PERCENT OF TOTAL WELLS	PARTICIP. FACTOR 0.05	REM. GAS MMCF	PERCENT OF TOTAL	PARTICIP. FACTOR 0.1	RECOV. GAS MMCF	PERCENT OF TOTAL GAS	PARTICIP. FACTOR 0.1	UNIT INTEREST
1	0.000	0.0000	0.0000	0.000	0.0000	0.0000	1	4.5455	0.2273	0.000	0.0000	0.0000	0.000	0.0000	0.0000	0.0077
2	0.000	0.0000	0.0000	0.000	0.0000	0.0000	4	18.1818	0.9091	0.000	0.0000	0.0000	0.000	0.0000	0.0000	0.0306
3	63.501	46.0359	18.4144	1.250	12.9870	4.5455	2	9.0909	0.4545	127.888	46.7353	4.6735	254.004	46.1187	4.6119	1.1020
4	10.012	7.2583	2.9033	6.796	70.6078	24.7127	1	4.5455	0.2273	34.178	12.4900	1.2490	40.048	7.2714	0.7271	1.0049
5	56.177	40.7263	16.2905	0.088	0.9143	0.3200	5	22.7273	1.1364	80.041	29.2502	2.9250	223.717	40.6196	4.0620	0.8335
6	7.884	5.7156	2.2862	1.491	15.4909	5.4218	1	4.5455	0.2273	31.536	11.5245	1.1525	31.536	5.7259	0.5726	0.3256
7	0.000	0.0000	0.0000	0.000	0.0000	0.0000	2	9.0909	0.4545	0.000	0.0000	0.0000	0.000	0.0000	0.0000	0.0153
8	0.000	0.0000	0.0000	0.000	0.0000	0.0000	1	4.5455	0.2273	0.000	0.0000	0.0000	0.000	0.0000	0.0000	0.0077
9	0.364	0.2639	0.1056	0.000	0.0000	0.0000	2	9.0909	0.4545	0.000	0.0000	0.0000	1.456	0.2644	0.0264	0.0198
10	0.000	0.0000	0.0000	0.000	0.0000	0.0000	3	13.6364	0.6818	0.000	0.0000	0.0000	0.000	0.0000	0.0000	0.0230
11	0.000	0.0000	0.0000	0.000	0.0000	0.0000	0	0.0000	0.0000	0.000	0.0000	0.0000	0.000	0.0000	0.0000	0.0000
TOTALS	137.938	100.0000	40.0000	9.625	100.0000	35.0000	22.000	100.0000	5.0000	273.643	100.0000	10.0000	550.761	100.0000	10.0000	3.3700

ATTACHMENT 5h

PARKWAY WATERFLOOD UNIT PARAMETERS

"C" SAND – 70.97% OF TOTAL

TRACT	RECOV. OIL MSTB	PERCENT OF RECOV. OIL	PARTICIP. FACTOR 0.4	REMAINING OIL MSTB	PERCENT OF REM. OIL	PARTICIP. FACTOR 0.35	USABLE WELLS	PERCENT OF TOTAL WELLS	PARTICIP. FACTOR 0.05	REM. GAS MMCF	PERCENT OF TOTAL	PARTICIP. FACTOR 0.1	RECOV. GAS MMCF	PERCENT OF TOTAL GAS	PARTICIP. FACTOR 0.1	UNIT INTEREST
1	11.162	0.3838	0.1535	0.452	0.0226	0.0079	1	4.5455	0.2273	0.365	0.0036	0.0004	9.025	0.0767	0.0077	0.2815
2	646.773	22.2361	8.8944	472.610	23.5792	8.2527	4	18.1818	0.9091	1894.880	18.5261	1.8526	2206.239	18.7476	1.8748	15.4598
3	270.900	9.3136	3.7254	182.730	9.1167	3.1908	2	9.0909	0.4545	837.111	8.1844	0.8184	981.823	8.3431	0.8343	6.4040
4	206.944	7.1148	2.8459	124.025	6.1878	2.1657	1	4.5455	0.2273	631.550	6.1746	0.6175	761.186	6.4682	0.6468	4.6153
5	1007.498	34.6379	13.8552	656.093	32.7335	11.4567	5	22.7273	1.1364	2598.018	25.4006	2.5401	3227.619	27.4268	2.7427	22.5195
6	69.000	2.3722	0.9489	69.000	3.4425	1.2049	1	4.5455	0.2273	646.000	6.3159	0.6316	646.000	5.4894	0.5489	2.5276
7	335.392	11.5308	4.6123	237.804	11.8644	4.1525	2	9.0909	0.4545	1050.998	10.2755	1.0276	1191.628	10.1259	1.0126	7.9909
8	71.663	2.4638	0.9855	48.211	2.4053	0.8419	1	4.5455	0.2273	317.471	3.1039	0.3104	362.842	3.0833	0.3083	1.8973
9	48.204	1.6573	0.6629	37.151	1.8535	0.6487	2	9.0909	0.4545	307.600	3.0074	0.3007	313.619	2.6650	0.2665	1.6560
10	200.123	6.8802	2.7521	135.273	6.7490	2.3621	3	13.6364	0.6818	1335.350	13.0556	1.3056	1459.328	12.4007	1.2401	5.9201
11	41.000	1.4096	0.5638	41.000	2.0456	0.7159	0	0.0000	0.0000	608.814	5.9523	0.5952	608.814	5.1734	0.5173	1.6979
TOTALS	2908.659	100.0000	40.0000	2004.349	100.0000	35.0000	22.000	100.0000	5.0000	10228.157	100.0000	10.0000	11768.123	100.0000	10.0000	70.9700

ATTACHMENT 5c

TRACT PARTICIPATION FACTORS

TRACT	WELLS	TRACT FACTORS
1	HALCON ST LEASE	0.3475
2	APACHE A LEASE	25.4424
3	RENEGADE #2 & #3	12.4681
4	RENEGADE #1	5.8770
5	OSAGE #1–5	28.5527
6	FLATHEAD LEASE	2.9115
7	APACHE LEASE	11.9002
8	LONGKNIFE #1	1.9633
9	PARKWAY ST #6 & #7	2.7093
10	PARKWAY ST #2, #3, & #4	6.1301
11	PARKWAY ST #1	1.6979
TOTALS		100.0000

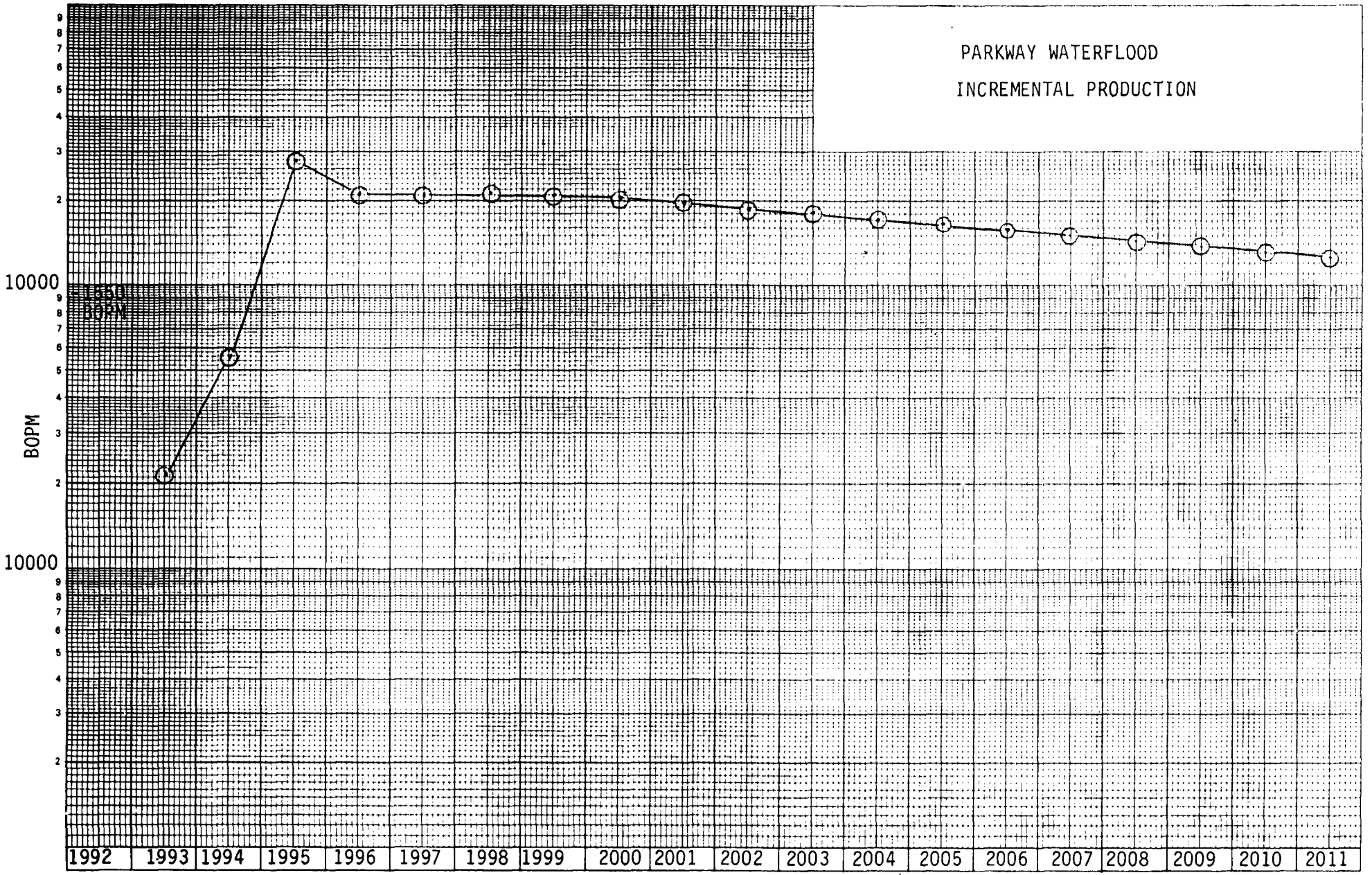
ATTACHMENT #6

PARKTRAC

UNIT WORKING INTEREST

31-Mar-92	TRACT 1	TRACT 2	TRACT 3	TRACT 4	TRACT 5	TRACT 6	TRACT 7	TRACT 8	TRACT 9	TRACT 10	TRACT 11	UNIT TOTAL
ALASCO O&G			0.000468	0.000220	0.001142							0.001830
AUBREY DUNN, SR			0.002805	0.001322	0.006853	0.000489						0.011469
BILLY G UNDERWOOD			0.001870	0.000882	0.004568							0.007320
BLAKEFIELD ENERGY			0.001870	0.000882	0.004568	0.000326						0.007646
BORICA OIL			0.000935	0.000441	0.002284	0.000163						0.003823
BYRON BACHSCHMID			0.000935	0.000441	0.002284							0.003660
CAROLINA AMELUNXEN			0.000468	0.000220	0.001142	0.000082						0.001912
CHARLES GREER				0.000220	0.000457							0.000677
CHARLES WORRELL			0.000935	0.000441	0.002284							0.003660
CONOCO					0.057105							0.057105
DEAN KINSOLVING			0.001870	0.000882	0.004568	0.000326						0.007646
DR. MICHAEL NORTON, III			0.002805	0.001322	0.006853	0.000489						0.011469
DR. ROBERT DALE			0.000935	0.000441	0.002284	0.000163						0.003823
FRANCIS TRACY			0.000935	0.000441	0.002284							0.003660
G E HARRINGTON			0.000935	0.000441	0.002284	0.000163						0.003823
GENE SHUMATE			0.000935	0.000441	0.002284							0.003660
HANAGAN OIL PROP.						0.000082						0.000082
HANSON OPERATING			0.014027	0.005510	0.028553							0.048089
HAROLD D JUSTICE			0.000935	0.000441	0.002284							0.003660
JIM IKARD			0.000468	0.000220	0.001142							0.001830
JOSE RODRIGUEZ			0.000701	0.000331	0.001713							0.002745
LARUE & MUNCY			0.004676	0.002204	0.011421	0.000815						0.019116
LAURIE BARR						0.000137						0.000137
MANZANO OIL CORP.			0.000935	0.000441	0.002284	0.000163						0.003823
MARINE & GAS INTER.			0.002805	0.001102	0.005711	0.000408						0.010025
MARY SOLDOW			0.000374	0.000220	0.001142	0.000082						0.001818
MERIDIAN OIL		0.254424					0.119002					0.373426
MOUNTAIN APPLE COMPANY			0.002338	0.001102	0.005711	0.000408						0.009558
NATHAN C GREER			0.001496	0.000441	0.002969	0.000245						0.005151
NEIL & MARILYN BURCHAM			0.000468	0.000220	0.001142							0.001830
PATRICK J MORELLO			0.000935	0.000441	0.002284	0.000163						0.003823
PATTY JENNINGS			0.000468	0.000220	0.001142							0.001830
PERMIAN HUNTER CORP.			0.000468	0.000220	0.001142	0.000082						0.001912
PETROLUX			0.002805	0.001102	0.005711	0.000408						0.010025
ROBERT AMELUNXEN			0.000468	0.000220	0.001142	0.000082						0.001912
SANTA FE			0.031170	0.017142	0.047597	0.003397		0.019633	0.027093	0.061301	0.012734	0.220068
SIETE OIL & GAS			0.033898	0.015072	0.043200	0.012451					0.004245	0.108865
SOUTHLAND ROYALTY						0.007279						0.007279
STRATA	0.003475											0.003475
STUART D HANSON			0.000935	0.000441	0.002284							0.003660
T K CAMPBELL			0.001870	0.000882	0.004568	0.000326						0.007646
TEDDY JAMES			0.000935	0.000441	0.002284	0.000163						0.003823
THOMAS CAMPBELL, II			0.001870	0.000882	0.004568							0.007320
VIOLA BARNES						0.000062						0.000062
WILLIAM & LORETA HUNKER			0.000935	0.000441	0.002284	0.000163						0.003823
	0.003475	0.254424	0.124681	0.058770	0.285527	0.029115	0.119002	0.019633	0.027093	0.061301	0.016979	1.000000

ATTACHMENT 7



DPC & A

SL 20 3 3

ATTACHMENT 8

SIETE OIL & GAS CORPORATION

AUTHORITY FOR EXPENDITURE

Well No. WIW Lease Osage (Parkway Field) Depth Estimate 4400'

Location T19S, R29E County Eddy State NM

DRY HOLE COST	INTANGIBLE	TANGIBLE
Survey & Elevation	800	
Location & Road Construction	800	
Fencing Location & Pits	2400	
Surface Damage	1000	
Location Cleanup & Level Drilling Pits	1200	
Cattleguard & Miscellaneous		-0-
Surface Conductor Pipe 350' 20"		10900
Cementing conductor & Setting Anchors	7400	
Drilling 4400 ft. on footage basis	61600	
ft. on Day Work	-0-	
Drill Pipe Rental	-0-	
Bits	-0-	
Reamer Cutter	-0-	
Surface Csg.,well head, valves & ftgs.		21900
Int. Csg.,well head, valves & ftgs.		32175
Cementing Surface & Intermediate	21000	
Cementing Down Hole Equipment	4000	
Coring Equipment	-0-	
Days Rig Time days @	-0-	
Core Analysis	-0-	
Drill Stem Test	-0-	
Days Rig Time days @	-0-	
Temperature Surveys	1000	
Mud Logging	5000	
Electrical Logging	15000	
Supervision - Geological	2000	
Engineering	2000	
Temporary Test Lines & Fittings	1000	
Temporary Test Tanks	500	
Mud	7000	
Water	2000	
Fuel	-0-	
Hauling	1000	
Tax	8400	4000
TOTAL ESTIMATED DRY HOLE COST	145100	68975

PARKWAY WATERFLOOD COSTS
PHASE 2

FACILITIES

1 REDA PUMPS	23000 $/EA.	$23,000
INJECTION LINES		
5310' 1 1/2" FIBERGLASS	2.10 $/FT.	$11,150
BURY 5310' OF LINES	1.25 $/FT.	$6,640
ELECTRICAL HOOKUP		$2,000
CONTINGENCY		$5,000
TOTAL FACILITIES		$47,790

DRILLING

7 NEW INJECTION WELLS	309000 $/EA.	$2,163,000

GRAND TOTAL $2,210,790

APPROVED BY:_____

COMPANY:_____

DATE:_____

PARKWAY WATERFLOOD COSTS
PHASE 2

FACILITIES

1 REDA PUMPS	23000 $/EA.	$23,000
INJECTION LINES		
5310' 1 1/2" FIBERGLASS	2.10 $/FT.	$11,150
BURY 5310' OF LINES	1.25 $/FT.	$6,640
ELECTRICAL HOOKUP		$2,000
CONTINGENCY		$5,000
TOTAL FACILITIES		$47,790

DRILLING

7 NEW INJECTION WELLS	309000 $/EA.	$2,163,000

GRAND TOTAL $2,210,790

APPROVED BY:_____

COMPANY:_____

DATE:_____

PARKWAY WATERFLOOD AFE
PHASE 1

FACILITIES			
1 500 BBL. SETTLING TANK	6000	$/EA.	$6,000
2 1000 BBL. STORAGE TANKS	11150	$/EA.	$22,300
1 750 BBL. GUNBARREL	10850	$/EA.	$10,850
1 REDA PUMPS	23000	$/EA.	$23,000
2 CARTRIDGE FILTERS	6300	$/EA.	$12,600
2 INJECTION MANIFOLDS	5000	$/EA.	$10,000
INJECTION LINES			
1250' 2 7/8" FIBERGLASS	4.65	$/FT.	$5,815
1680' 2 3/8" FIBERGLASS	3.20	$/FT.	$5,380
8840' 1 1/2" FIBERGLASS	2.10	$/FT.	$18,565
BURY 11770' OF LINES	1.25	$/FT.	$14,715
ELECTRICAL HOOKUP			$12,000
PAD EXTENSION			$10,000
LABOR			$20,000
PUMP HOUSE			$5,000
CONTINGENCY			$25,000
TOTAL FACILITIES			**$201,225**
DRILLING			
2 NEW INJECTION WELLS (SEE ATTACHED DETAIL)	309000	$/EA.	$618,000
CONVERSIONS			
5 CONVERSIONS	22000	$/EA.	$110,000
PACKER	1500	$/EA.	
PLASTIC COAT TUBING	6500	$/EA.	
PULLING UNIT (4 DAYS)	4000	$/EA.	
INJECTION HEAD	5000	$/EA.	
HAULING	2000	$/EA.	
TEST PACKER	1000	$/EA.	
MISCELLANEOUS	2000	$/EA.	
RECOMPLETIONS			
3 RECOMPLETIONS	35000	$/EA.	$105,000
SQUEEZE EXISTING PERFS	8000	$/EA.	
PULLING UNIT (6 DAYS)	6000	$/EA.	
PERF & FRAC	21000	$/EA.	
MISCELLANEOUS			
WATERFLOOD STUDY & LEGAL			$120,000
GRAND TOTAL			$1,154,225

APPROVED BY:_____

COMPANY:_____

DATE:_____

PARKWAY WATERFLOOD AFE
PHASE 1

FACILITIES		
1 500 BBL. SETTLING TANK	6000 $/EA.	$6,000
2 1000 BBL. STORAGE TANKS	11150 $/EA.	$22,300
1 750 BBL. GUNBARREL	10850 $/EA.	$10,850
1 REDA PUMPS	23000 $/EA.	$23,000
2 CARTRIDGE FILTERS	6300 $/EA.	$12,600
2 INJECTION MANIFOLDS	5000 $/EA.	$10,000
INJECTION LINES		
1250' 2 7/8" FIBERGLASS	4.65 $/FT.	$5,815
1680' 2 3/8" FIBERGLASS	3.20 $/FT.	$5,380
8840' 1 1/2" FIBERGLASS	2.10 $/FT.	$18,565
BURY 11770' OF LINES	1.25 $/FT.	$14,715
ELECTRICAL HOOKUP		$12,000
PAD EXTENSION		$10,000
LABOR		$20,000
PUMP HOUSE		$5,000
CONTINGENCY		$25,000
TOTAL FACILITIES		**$201,225**
DRILLING		
2 NEW INJECTION WELLS (SEE ATTACHED DETAIL)	309000 $/EA.	$618,000
CONVERSIONS		
5 CONVERSIONS	22000 $/EA.	$110,000
PACKER	1500 $/EA.	
PLASTIC COAT TUBING	6500 $/EA.	
PULLING UNIT (4 DAYS)	4000 $/EA.	
INJECTION HEAD	5000 $/EA.	
HAULING	2000 $/EA.	
TEST PACKER	1000 $/EA.	
MISCELLANEOUS	2000 $/EA.	
RECOMPLETIONS		
3 RECOMPLETIONS	35000 $/EA.	$105,000
SQUEEZE EXISTING PERFS	8000 $/EA.	
PULLING UNIT (6 DAYS)	6000 $/EA.	
PERF & FRAC	21000 $/EA.	
MISCELLANEOUS		
WATERFLOOD STUDY & LEGAL		$120,000
GRAND TOTAL		$1,154,225

APPROVED BY:_____

COMPANY:_____

DATE:_____

COMPLETION COST	INTANGIBLE	TANGIBLE
Rig time on day work 1 days	3000	
Well service rig 6 days	7200	
Cement & Services Production String	5000	
Cementing Down Hole Equipment	2000	
Casing Bond Log - etc.	2000	
Perforating	3000	
Acidizing & Fracturing	20000	
Cellar Walls & Cover	1000	
Hauling	1000	
Labor, Supervision & Miscellaneous	1000	
Casing 4400 ft. 5 1/2 in.		22000
Casing ft. in.		-0-
Casing ft. in.		-0-
Tubing 4300 ft. 2 3/8 in.		15500
Tubing ft. in.		-0-
Casing Head, Valves & Fittings		1000
Injection Head		3500
Injection Packer		2000
Tax	2800	2700
TOTAL ESTIMATED COMPLETION COST	48000	46700
Dry Hole Cost		214075
Completion Cost		94700
Total Estimated Well Cost		308775

PARKWAY WATERFLOOD
SIETE OIL & GAS CORPORATION

DATE: 06/17/92
TIME: 15:41.18
FILE: PKWF
GET#: 2

RESERVES AND ECONOMICS

SIETE OIL & GAS CORPORATION

AS OF JANUARY 1, 1993

-END-	---GROSS PRODUCTION---		----NET PRODUCTION----		--PRICES---		--------OPERATIONS, M$--------					10.00 PCT
MO-YR	OIL, MBBL	GAS, MMCF	OIL, MBBL	GAS, MMCF	OIL $/B	GAS $/M	NET OPER REVENUES	SEV+ADV+ WF TAXES	NET OPER EXPENSES	CAPITAL COSTS, M$	CASH FLOW BTAX, M$	CUM. DISC BTAX, M$
12-93	-9.600	-9.600	-7.680	-7.680	20.00	1.60	-165.888	-11.274	237.600	3364.000	-3756.214	-3737.961
12-94	25.200	25.200	20.160	20.160	20.00	1.60	435.456	29.594	237.600	.000	168.262	-3592.114
12-95	67.200	67.200	53.760	53.760	20.00	1.60	1161.216	78.919	237.600	.000	844.697	-2926.505
12-96	336.000	336.000	268.800	268.800	20.00	1.60	5806.080	394.598	237.600	.000	5173.882	779.808
12-97	258.000	258.000	206.400	206.400	20.00	1.60	4458.240	302.995	237.600	.000	3917.645	3331.087
12-98	258.000	258.000	206.400	206.400	20.00	1.60	4458.240	302.995	237.600	.000	3917.645	5650.432
12-99	258.000	258.000	206.400	206.400	20.00	1.60	4458.240	302.995	237.600	.000	3917.645	7758.927
12- 0	258.000	258.000	206.400	206.400	20.00	1.60	4458.240	302.995	237.600	.000	3917.645	9675.741
12- 1	250.180	250.180	200.144	200.144	20.00	1.60	4323.110	293.811	237.600	.000	3791.699	11362.279
12- 2	235.170	235.170	188.136	188.136	20.00	1.60	4063.738	276.183	237.600	.000	3549.955	12797.743
12- 3	221.059	221.059	176.847	176.847	20.00	1.60	3819.895	259.611	237.600	.000	3322.684	14019.165
12- 4	207.795	207.795	166.236	166.236	20.00	1.60	3590.698	244.034	237.600	.000	3109.064	15058.161
12- 5	195.328	195.328	156.262	156.262	20.00	1.60	3375.259	229.393	237.600	.000	2908.266	15941.700
12- 6	183.609	183.609	146.887	146.887	20.00	1.60	3172.759	215.631	237.600	.000	2719.528	16692.791
12- 7	172.591	172.591	138.073	138.073	20.00	1.60	2982.377	202.691	237.600	.000	2542.086	17331.049
S TOT	2916.532	2916.532	2333.225	2333.225	20.00	1.60	50397.660	3425.171	3564.000	3364.000	40044.489	17331.049
REM.	1608.468	1608.468	1286.776	1286.776	20.00	1.60	27794.362	1888.987	3469.516	.000	22435.859	20570.072
TOTAL	4525.000	4525.000	3620.001	3620.001	20.00	1.60	78192.022	5314.158	7033.516	3364.000	62480.348	20570.072
CUM.	.000	.000										
ULT.	4525.000	4525.000										

NET OIL REVENUES (M$)	72400.020		
NET GAS REVENUES (M$)	5792.002		
TOTAL REVENUES (M$)	78192.022		
PROJECT LIFE (YEARS)	29.602		
DISCOUNT RATE (PCT)	10.000		
GROSS OIL WELLS	1.000		
GROSS GAS WELLS	.000		
GROSS WELLS	1.000		
INITIAL NET OIL FRACTION	.800000		
FINAL NET OIL FRACTION	.800000		
INITIAL NET GAS FRACTION	.800000		
FINAL NET GAS FRACTION	.800000		

BTAX RATE OF RETURN (PCT)	48.48		
BTAX PAYOUT YEARS	3.53		
BTAX PAYOUT YEARS (DISC)	3.79		
BTAX NET INCOME/INVEST	19.57		
BTAX NET INCOME/INVEST (DISC)	7.11		
INITIAL W.I. FRACTION	1.000000		
FINAL W.I. FRACTION	1.000000		
PRODUCTION START DATE	1- 1-93		
MONTHS IN FIRST LINE	12.00		

--------PRESENT WORTH PROFILE--------

DISC RATE	PW OF NET BTAX, M$	DISC RATE	PW OF NET BTAX, M$
.0	62480.348	30.0	3749.922
2.0	48375.297	35.0	2314.368
5.0	34161.575	40.0	1249.804
8.0	24972.140	45.0	438.991
10.0	20570.072	50.0	-192.186
12.0	17104.083	60.0	-1095.384
15.0	13144.249	70.0	-1695.210
18.0	10213.615	80.0	-2111.425
20.0	8663.631	90.0	-2410.298
25.0	5751.424	100.0	-2630.896

CASE 10617: **(This Case Will Be Continued to January 7, 1993.)**

Application of C. W. Trainer for designation of a tight formation, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks the designation of the Mississippian formation underlying an area comprising 11,009.08 acres, more or less, of State (approximately 5.8%) and fee (approximately 94.2%) lands in Sections 35 and 36, Township 11 South, Range 28 East; Sections 21 through 23 and 26 through 35, Township 11 South, Range 29 East; Sections 1 and 2, Township 12 South, Range 29 East; and, Sections 2 through 6, Township 12 South, Range 29 East, as a "Tight Formation" pursuant to Section 107 of the Natural Gas Policy Act of 1978 and 18 C.F.R. Sections 271.701-705. Said area is located approximately 29 miles east by south of Roswell, New Mexico.

CASE 10618: **Application of Siete Oil and Gas Company for statutory unitization, Eddy County, New Mexico.** Applicant, in the above-styled cause, seeks an order unitizing, for the purpose of establishing a waterflood project, all mineral interests in the proposed Parkway-Delaware Pool, underlying 920 acres, more or less, of State, Federal and Fee lands comprising portions of Sections 26, 35 and 36, Township 19 South, Range 29 East and a portion of Section 2, Township 20 South, Range 29 East. Said unit is to be designated the Parkway Delaware Unit Area. Among the matters to be considered at the hearing will be the necessity of unit operations; the designation of a unit operator; the determination of horizontal and vertical limits of the unit area; the determination of the fair, reasonable and equitable allocation of production and costs of production, including capital investment, to each of the various tracts in the unit area; the determination of credits and charges to be made among the various owners in the unit area for their investment in wells and equipment; and such other matters as may be necessary and appropriate for carrying on efficient unit operations; including but not necessarily limited to, unit voting procedures, selection, removal or substitution of unit operator, and time of commencement and termination of unit operations. Applicant also requests that any such order issued in this case include a provision for carrying any non-consenting working interest owner within the unit area upon such terms and conditions to be determined by the Division as just and reasonable. Said unit area is located approximately 6 miles north by west of the junction of U.S. Highway 62/180 and New Mexico State Highway No. 31.

CASE 10619: **Application of Siete Oil and Gas Company for approval of a waterflood project, Eddy County, New Mexico.** Applicant, in the above-styled cause, seeks authority to institute a waterflood project on its proposed Parkway Delaware Unit Area (Division Case No. 10618) located in portions of Sections 26, 35 and 36, Township 19 South, Range 29 East and a portion of Section 2, Township 20 South, Range 29 East, by the injection of water into the Parkway-Delaware Pool through five certain wells all to be converted from producing oil wells. The applicant further seeks approval that said project qualify as an "Enhanced Oil Recovery Project" pursuant to the provisions of Division Order No. R-9708. Said project area is located approximately 6 miles north by west of the junction of U.S. Highway 62/180 and New Mexico State Highway No. 31.

CASE 10560: **(Continued from October 29, 1992, Examiner Hearing.)**

Application of Conoco Inc. for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Canyon formation underlying the NE/4 of Section 17, Township 19 South, Range 25 East, forming a standard 160-acre spacing and proration unit for any and all formations spaced on 160-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the North Dagger Draw-Pennsylvanian Pool. Said unit is to be dedicated to the existing Southwest Royalties, Inc. Dagger Draw Well No. 1 located at a standard location 660 feet from the North line and 1980 feet from the East line (Unit B) of said Section 17, said unit and well were the subject of Division Case No. 10471. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 6.5 miles northwest of Seven Rivers, New Mexico.

CASE 10603: **(Continued from November 19, 1992, Examiner Hearing.) (This Case Will Be Dismissed.)**

Application of Conoco, Inc. for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Basin-Fruitland Coal Gas Pool underlying the E/2 of Section 17, Township 30 North, Range 8 West, forming a standard 320-acre spacing and proration unit for said pool. Said unit is to be dedicated to a well to be drilled at a standard gas well location in the NE/4 of said Section 17. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 2 miles west of the Navajo Lake State Park Airport.

CASE 10594: **(Continued from November 5, 1992, Examiner Hearing.)**

Application of Meridian Oil Inc. for a high angle/horizontal directional drilling pilot project, special operating rules therefor, a non-standard oil proration unit, an unorthodox well location, and special project oil allowable, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks to initiate a high angle/horizontal directional drilling pilot project in the Undesignated Northeast Ojito Gallup-Dakota Oil Pool underlying the N/2 of Section 23, Township 26 North, Range 3 West, thereby creating a non-standard 320-acre spacing and proration unit for said pool. The applicant proposes to drill its Jicarilla "99" Well No. 17 from an unorthodox surface location 330 feet from the North line and 745 feet from the West line (Unit D) of said Section 23, kick off from vertical in a southeasterly direction commencing to build angle at an appropriate rate to vertically and horizontally traverse the proposed producing area. Applicant further seeks the adoption of special operating provisions and rules within the pilot project area including the designation of a target window such that the horizontal or producing portion of the wellbore shall be no closer than 330 feet to either the north or south boundary, nor closer than 790 feet to the east or west boundary of the spacing unit, and for a special project allowable. Said project area is located approximately 12 miles northwest of Lindrith, New Mexico.

CASE 10604: **(Continued from November 19, 1992, Examiner Hearing.)**

Application of Meridian Oil Inc. for an unorthodox coal gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval to drill a replacement coal gas well within an existing standard 315.76-acre gas spacing and proration unit comprising Lots 3 through 6, and 11 through 14 (W/2 equivalent) of Section 33, Township 31 North, Range 9 West, Basin Fruitland Coal Gas Pool, at an unorthodox coal gas well location within the NW/4 equivalent of said Section 33 that is no closer than 790 feet to any outer boundary of the proration unit nor closer than 130 feet to the quarter section line bisecting the unit nor closer than 10 feet to the subdivision inner boundaries within the NW/4 equivalent of said Section 33. Said unit is presently dedicated to the Johnston Federal Well No. 28 located at a standard coal gas well location 2255 feet from the South line and 1065 feet from the West line (Unit L) of said Section 33, which will either be plugged and abandoned or used as a pressure observation well after the replacement well is completed. Said unit is located approximately 8 miles southeast of Cedar Hill, New Mexico.

CASE 10605: **(Continued from November 19, 1992, Examiner Hearing.) (This Case Will Be Dismissed.)**

Application of Meridian Oil Inc. for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Basin Fruitland Coal Gas Pool underlying the E/2 of Section 13, Township 28 North, Range 11 West, forming a standard 320-acre spacing and proration unit for said pool. Said unit is to be dedicated to its Angle Peak "B" Well No. 14, located at a standard coal gas well location 1650 feet from the North and East lines (Unit G) at said Section 13, which will be recompleted from the Fulcher Kutz-Pictured Cliffs Pool into the Basin-Fruitland Coal Gas Pool. Also to be considered will be the cost of recompleting said well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and the assignment of a risk penalty factor. Said unit is located approximately 4 miles southeast by south of Bloomfield, New Mexico.

CASE 10606: **(Continued from November 19, 1992, Examiner Hearing.)**

Application of Meridian Oil Inc. for an unorthodox coal gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval to drill a replacement coal gas well within an existing standard 320-acre gas spacing and proration unit comprising the W/2 of Section 12, Township 30 North, Range 9 West, Basin Fruitland Coal Gas Pool, at an unorthodox coal gas well location 790 feet from the North and West lines (Unit D) of said Section 12. Said unit is presently dedicated to the Johnston Federal Well No. 27 located at a standard coal gas well location 1250 feet from the South line and 1010 feet from the West line (Unit M) of said Section 12, which will either be plugged and abandoned or used as a pressure observation well after the proposed replacement well is completed. Said unit is located approximately 14 miles east of Aztec, New Mexico.

CASE 10100: **(Continued from October 29, 1992, Examiner Hearing.)**

In the matter of Case 10100 being reopened pursuant to the provisions of Division Order No. R-9330, which order promulgated special operating rules and regulations for the San Isidro (Shallow) Unit in Sandoval County. Operators in said unit may appear and show cause why the continuation of the foregoing special operating rules and regulations governing the Rio Puerco-Mancos Oil Pool within said Unit Area are consistent with sound engineering and conservation practices and show cause why such procedures should remain in effect.

CASE 10617: **(This Case Will Be Continued to January 7, 1993.)**

Application of C. W. Trainer for designation of a tight formation, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks the designation of the Mississippian formation underlying an area comprising 11,009.08 acres, more or less, of State (approximately 5.8%) and fee (approximately 94.2%) lands in Sections 35 and 36, Township 11 South, Range 28 East; Sections 21 through 23 and 26 through 35, Township 11 South, Range 29 East; Sections 1 and 2, Township 12 South, Range 29 East; and, Sections 2 through 6, Township 12 South, Range 29 East, as a "Tight Formation" pursuant to Section 107 of the Natural Gas Policy Act of 1978 and 18 C.F.R. Sections 271.701-705. Said area is located approximately 29 miles east by south of Roswell, New Mexico.

CASE 10618: **Application of Siete Oil and Gas Company for statutory unitization, Eddy County, New Mexico.** Applicant, in the above-styled cause, seeks an order unitizing, for the purpose of establishing a waterflood project, all mineral interests in the proposed Parkway-Delaware Pool, underlying 920 acres, more or less, of State, Federal and Fee lands comprising portions of Sections 26, 35 and 36, Township 19 South, Range 29 East and a portion of Section 2, Township 20 South, Range 29 East. Said unit is to be designated the Parkway Delaware Unit Area. Among the matters to be considered at the hearing will be the necessity of unit operations; the designation of a unit operator; the determination of horizontal and vertical limits of the unit area; the determination of the fair, reasonable and equitable allocation of production and costs of production, including capital investment, to each of the various tracts in the unit area; the determination of credits and charges to be made among the various owners in the unit area for their investment in wells and equipment; and such other matters as may be necessary and appropriate for carrying on efficient unit operations; including but not necessarily limited to, unit voting procedures, selection, removal or substitution of unit operator, and time of commencement and termination of unit operations. Applicant also requests that any such order issued in this case include a provision for carrying any non-consenting working interest owner within the unit area upon such terms and conditions to be determined by the Division as just and reasonable. Said unit area is located approximately 6 miles north by west of the junction of U.S. Highway 62/180 and New Mexico State Highway No. 31.

CASE 10619: **Application of Siete Oil and Gas Company for approval of a waterflood project, Eddy County, New Mexico.** Applicant, in the above-styled cause, seeks authority to institute a waterflood project on its proposed Parkway Delaware Unit Area (Division Case No. 10618) located in portions of Sections 26, 35 and 36, Township 19 South, Range 29 East and a portion of Section 2, Township 20 South, Range 29 East, by the injection of water into the Parkway-Delaware Pool through five certain wells all to be converted from producing oil wells. The applicant further seeks approval that said project qualify as an "Enhanced Oil Recovery Project" pursuant to the provisions of Division Order No. R-9708. Said project area is located approximately 6 miles north by west of the junction of U.S. Highway 62/180 and New Mexico State Highway No. 31.

CASE 10560: **(Continued from October 29, 1992, Examiner Hearing.)**

Application of Conoco Inc. for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Canyon formation underlying the NE/4 of Section 17, Township 19 South, Range 25 East, forming a standard 160-acre spacing and proration unit for any and all formations spaced on 160-acre spacing within said vertical extent, which presently includes but is not necessarily limited to the North Dagger Draw-Pennsylvanian Pool. Said unit is to be dedicated to the existing Southwest Royalties, Inc. Dagger Draw Well No. 1 located at a standard location 660 feet from the North line and 1980 feet from the East line (Unit B) of said Section 17, said unit and well were the subject of Division Case No. 10471. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 6.5 miles northwest of Seven Rivers, New Mexico.

CASE 10603: **(Continued from November 19, 1992, Examiner Hearing.) (This Case Will Be Dismissed.)**

Application of Conoco, Inc. for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Basin-Fruitland Coal Gas Pool underlying the E/2 of Section 17, Township 30 North, Range 8 West, forming a standard 320-acre spacing and proration unit for said pool. Said unit is to be dedicated to a well to be drilled at a standard gas well location in the NE/4 of said Section 17. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 2 miles west of the Navajo Lake State Park Airport.

CASE 10594: **(Continued from November 5, 1992, Examiner Hearing.)**

Application of Meridian Oil Inc. for a high angle/horizontal directional drilling pilot project, special operating rules therefor, a non-standard oil proration unit, an unorthodox well location, and special project oil allowable, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks to initiate a high angle/horizontal directional drilling pilot project in the Undesignated Northeast Ojito Gallup-Dakota Oil Pool underlying the N/2 of Section 23, Township 26 North, Range 3 West, thereby creating a non-standard 320-acre spacing and proration unit for said pool. The applicant proposes to drill its Jicarilla "99" Well No. 17 from an unorthodox surface location 330 feet from the North line and 745 feet from the West line (Unit D) of said Section 23, kick off from vertical in a southeasterly direction commencing to build angle at an appropriate rate to vertically and horizontally traverse the proposed producing area. Applicant further seeks the adoption of special operating provisions and rules within the pilot project area including the designation of a target window such that the horizontal or producing portion of the wellbore shall be no closer than 330 feet to either the north or south boundary, nor closer than 790 feet to the east or west boundary of the spacing unit, and for a special project allowable. Said project area is located approximately 12 miles northwest of Lindrith, New Mexico.

CASE 10604: **(Continued from November 19, 1992, Examiner Hearing.)**

Application of Meridian Oil Inc. for an unorthodox coal gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval to drill a replacement coal gas well within an existing standard 315.76-acre gas spacing and proration unit comprising Lots 3 through 6, and 11 through 14 (W/2 equivalent) of Section 33, Township 31 North, Range 9 West, Basin Fruitland Coal Gas Pool, at an unorthodox coal gas well location within the NW/4 equivalent of said Section 33 that is no closer than 790 feet to any outer boundary of the proration unit nor closer than 130 feet to the quarter section line bisecting the unit nor closer than 10 feet to the subdivision inner boundaries within the NW/4 equivalent of said Section 33. Said unit is presently dedicated to the Johnston Federal Well No. 28 located at a standard coal gas well location 2255 feet from the South line and 1065 feet from the West line (Unit L) of said Section 33, which will either be plugged and abandoned or used as a pressure observation well after the replacement well is completed. Said unit is located approximately 8 miles southeast of Cedar Hill, New Mexico.

CASE 10605: **(Continued from November 19, 1992, Examiner Hearing.) (This Case Will Be Dismissed.)**

Application of Meridian Oil Inc. for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Basin Fruitland Coal Gas Pool underlying the E/2 of Section 13, Township 28 North, Range 11 West, forming a standard 320-acre spacing and proration unit for said pool. Said unit is to be dedicated to its Angle Peak "B" Well No. 14, located at a standard coal gas well location 1650 feet from the North and East lines (Unit G) at said Section 13, which will be recompleted from the Fulcher Kutz-Pictured Cliffs Pool into the Basin-Fruitland Coal Gas Pool. Also to be considered will be the cost of recompleting said well and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and the assignment of a risk penalty factor. Said unit is located approximately 4 miles southeast by south of Bloomfield, New Mexico.

CASE 10606: **(Continued from November 19, 1992, Examiner Hearing.)**

Application of Meridian Oil Inc. for an unorthodox coal gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval to drill a replacement coal gas well within an existing standard 320-acre gas spacing and proration unit comprising the W/2 of Section 12, Township 30 North, Range 9 West, Basin Fruitland Coal Gas Pool, at an unorthodox coal gas well location 790 feet from the North and West lines (Unit D) of said Section 12. Said unit is presently dedicated to the Johnston Federal Well No. 27 located at a standard coal gas well location 1250 feet from the South line and 1010 feet from the West line (Unit M) of said Section 12, which will either be plugged and abandoned or used as a pressure observation well after the proposed replacement well is completed. Said unit is located approximately 14 miles east of Aztec, New Mexico.

CASE 10100: **(Continued from October 29, 1992, Examiner Hearing.)**

In the matter of Case 10100 being reopened pursuant to the provisions of Division Order No. R-9330, which order promulgated special operating rules and regulations for the San Isidro (Shallow) Unit in Sandoval County. Operators in said unit may appear and show cause why the continuation of the foregoing special operating rules and regulations governing the Rio Puerco-Mancos Oil Pool within said Unit Area are consistent with sound engineering and conservation practices and show cause why such procedures should remain in effect.