

PNRM 0411738939

C-103 Received 2-17-2004
DHC No. Assigned 2-24-2004

Order Number	API Number	Operator	County			
HOB-0078	30-025-10398	Saga Petroleum LLC	Lea			
Order Date	Well Name	Number	Location			
	E.M. Elliott Federal	003	C	22	22S	37E
			UL	Sec	T (+Dir)	R (+Dir)
Pool 1	Oil %	Gas %				
06660	Blinebry Oil & Gas (Oil)	16%	14%			
Pool 2	Oil %	Gas %				
60240	Tubb Oil & Gas (Oil)	84%	86%			
Pool 3	Oil %	Gas %				
Pool 4	Oil %	Gas %				
Comments: Work completed effective _____						
Work cancelled effective _____						
Supplement _____						

4-26-2004

Posted
RB Dm &

Ⓟ

30-025-10398
HOB-0078

DOWNHOLE COMMINGLE CALCULATIONS:

OPERATOR: Saga Petroleum LLC

PROPERTY NAME: E. M. Elliott Federal

WNULSTR: 3-C, 22-22-37

SECTION I:		ALLOWABLE AMOUNT	
06660	POOL NO. 1 <u>Blinebry Oil & Gas (Oil)</u>	<u>107</u>	<u>428</u> MCF 4000
60240	POOL NO. 2 <u>Tubb Oil & Gas (Oil)</u>	<u>142</u>	<u>284</u> MCF 2000
	POOL NO. 3 _____	_____	_____ MCF
	POOL NO. 4 _____	_____	_____ MCF
	POOL TOTALS	<u>249</u>	<u>712</u>

SECTION II:		Oil	Gas
POOL NO. 1	<u>Blinebry Oil & Gas (Oil)</u>	<u>16%</u>	<u>14%</u>
POOL NO. 2	<u>Tubb Oil & Gas (Oil)</u>	<u>84% X 249 = 209.16</u>	<u>86%</u>
POOL NO. 3	_____		
POOL NO. 4	_____		

	<u>OIL</u>	<u>GAS</u>
SECTION III:	<u>107 ÷ 84% = 127.38 (128)</u>	
SECTION IV:	<u>128 X 16% = 20.48 (20)</u>	
	<u>128 X 84% = 107.52 (108)</u>	
	_____	_____
	_____	_____

District I 1625 N. French Dr., Hobbs, NM 88240
District II 1301 W. Grand Ave., Artesia, NM 88210
District III 1000 Rio Brazos Rd., Aztec, NM 87410
District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505

OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

WELL API NO. 30-025-10398
5. Indicate Type of Lease STATE [] FEE []
6. State Oil & Gas Lease No. Federal NMLC032573A
7. Lease Name or Unit Agreement Name E M Elliott Federal
8. Well Number 3
9. OGRID Number 148967
10. Pool name or Wildcat Blinebry O&G, Tubbs

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. Type of Well: Oil Well [X] Gas Well [] Other
2. Name of Operator Saga Petroleum LLC
3. Address of Operator 415 W. Wall, Suite 1900 Midland, TX 79701
4. Well Location Unit Letter C : 510 feet from the North line and 2130 feet from the West line Section 22 Township 22S Range 37E NMPM County Lea
11. Elevation (Show whether DR, RKB, RT, GR, etc.)

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data
NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK [] PLUG AND ABANDON [] TEMPORARILY ABANDON [] CHANGE PLANS [] PULL OR ALTER CASING [] MULTIPLE COMPLETION [] OTHER: DHC [X]
SUBSEQUENT REPORT OF: REMEDIAL WORK [] ALTERING CASING [] COMMENCE DRILLING OPNS. [] PLUG AND ABANDONMENT [] CASING TEST AND CEMENT JOB [] OTHER: []

13. 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. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.
Per Order R-11363, Saga respectfully requests approval to downhole commingle the designated pools
Blinebry 06660 5481'-5654' perms
Tubb 60240 5964'-6142' perms
The allocation method will be as reported on Form C107A submitted 2-3-04 with Forms C-102 & production curves for each zone
Blinebry Oil 16% & gas 14%, wtr 95%
Tubb Oil 84% & gas 86%, wtr 5%
Downhole commingling will not decrease the value of production.
All working, royalty & overriding royalty interests are identical in the two pools.
The BLM was notified of this request via Sundry Notice 3160-5 dated 2-3-2004



DHC Order No. HOB-0078

I hereby certify that the information above is true and complete to the best of my knowledge and belief.
SIGNATURE Bonnie Husband TITLE Production Analyst DATE 02/13/2004
Type or print name Bonnie Husband E-mail address: bhusband@sagapetroleum.com Telephone No. (432)684-4293

APPROVED BY [Signature] TITLE PETROLEUM ENGINEER DATE FEB 24 2004
Conditions of approval, if any:

New Mexico Oil Conservation Division, District I

**1625 N. French Drive
Hobbs, NM 88240**

Form 3160-5
(August 1999)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

5. Lease Serial No.
NMLC032573A

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.
E M Elliott Fed #3

9. API Well No.
30-025-10398

10. Field and Pool, or Exploratory Area
Tubbs - BLinebry Oil & Gas

11. County or Parish, State
Lea
NM

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
SAGA PETROLEUM LLC

3a. Address
415 W. WALL, SUITE 1900, MIDLAND, TX 79701

3b. Phone No. (include area code)
(432)684-4293

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
510' FNL & 2130' FWL
Sec. 22 (C), T22S, R37E

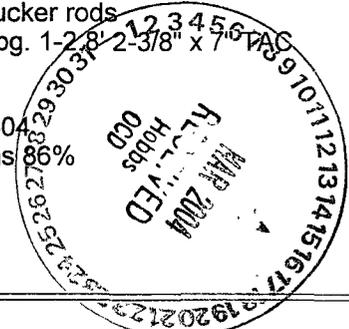
12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/ Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other DHC Blinebry & Tubb perms
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleate horizontally, give subsurface locations measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleation in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

3-02-04 MIRU PU, unhang well, LDPR, POOH w/rods & pump, NDWH, NU BOP, release TAC, TOOH w/tbg.
 3-03-04 PU & RIH w/retrieving head, TIH to RBP, attempt to wash balls off plug, run out of wtr, wait on wtr, continue to wash balls, catch plug, release plug. POOH w/tbg & plug
 3-04-04 RU Phils Testers, hydrotest 2-3/8" tbg to 5000 psi below slips, no failures, land tbg, ND BOP, set TAC w/16K tension, NUWH, PU & RIH w/pump & rods, change 34- 3/4" rod boxes & 11- 7/8" boxes. Hang on, space out, load & test tbg & pump action to 500 psi - both test good. 1-26' 1-1/4" PR. 77-1925' 7/8" sucker rods. 184-4600' 3/4" sucker rods
 12-300' 7/8" sucker rods. 1-20' -20-125-RHBC-20-6 pump. 172 jts 2-3/8" 4.6# J-55 EUE 8rd tbg. 1-28' 2-3/8" x 7.6" TAC
 46 jts 2-3/8" 4.6# J-55 EUE 8rd tbg. 1-4' 2-3/8" perf sub. 1-31' 2-3/8" BPMA

DHC Tubb perms 5964'-6142' & Blinebry perms 5481'-5654' by Order No. HOB-0078 dated 2-24-04
 Production to be allocated - Blinebry Oil 16%, Wtr 95%, Gas 14% & Tubb Oil 84%, Wtr 5%, Gas 86%



14. I hereby certify that the foregoing is true and correct
 Name (Printed/Typed)
Bonnie Husband

Title
Production Analyst

Signature
Bonnie Husband

Date
03/08/2004

ACCEPTED FOR RECORD THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by
(ORIG. SGD.) DAVID R. GLASS

DAVID R. GLASS
PETROLEUM ENGINEER

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon

Title 18 U.S.C. Section 1001 makes it a crime for any person knowingly and willfully to make fraudulent statements or representations as to any matter within its jurisdiction.

Well Completion Report (Form 3160-4) for the Blinebry recompleation must be filed before we can enter this well as subsurface commingled from the Blinebry Oil and Gas Pool and the Tubb Oil and Gas Pool.

(Instructions on reverse)

GWW

District I
1625 N. French Drive, Hobbs, NM 88240

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-107A
Revised June 10, 2003

District II
1301 W Grand Avenue, Artesia, NM 88210

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, New Mexico 87505

APPLICATION TYPE
 Single Well
 Establish Pre-Approved Pools
EXISTING WELLBORE
 Yes No

District III
1000 Rio Bravo Road, Artesia, NM 87410

District IV
1220 S St. Francis Dr., Santa Fe, NM 87505

APPLICATION FOR DOWNHOLE COMMINGLING

Saga Petroleum LLC 415 W. Wall, Suite 1900, Midland, TX 79701
Operator Address
E M Elliott Fed 3 C - 22 - T22S - R37E Lea
Lease Well No. Unit Letter-Section-Township-Range County
OGRID No. 148967 Property Code 25692 API No. 30-025-10398 Lease Type: Federal State Fee

DATA ELEMENT	UPPER ZONE	INTERMEDIATE ZONE	LOWER ZONE
Pool Name	Blinebry		Tubb
Pool Code	06660		60240
Top and Bottom of Pay Section (Perforated or Open-Hole Interval)	5481'-5654'		5964'-6142'
Method of Production (Flowing or Artificial Lift)	Pump		Pump
Bottomhole Pressure (Note: Pressure data will not be required if the bottom perforation in the lower zone is within 150% of the depth of the top perforation in the upper zone)			
Oil Gravity or Gas BTU (Degree API or Gas BTU)	1.246 - 36.1°		1.275 - 36.1°
Producing, Shut-In or New Zone	Prod		SI via RBP
Date and Oil/Gas/Water Rates of Last Production. (Note: For new zones with no production history, applicant shall be required to attach production estimates and supporting data)	Date: 02/02/2004 Rates: 1bo-2bw-1mcf	Date: Rates:.	Date: 12/03/2003 Rates: 5 BO- 6 MCF
Fixed Allocation Percentage (Note: If allocation is based upon something other than current or past production, supporting data or explanation will be required)	Oil Gas 16 % 14 %	Oil Gas % %	Oil Gas 84 % 86 %

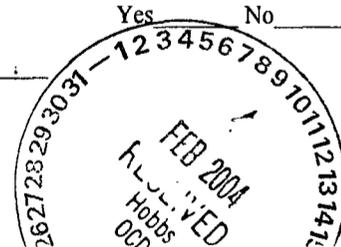
ADDITIONAL DATA

Are all working, royalty and overriding royalty interests identical in all commingled zones? Yes No
If not, have all working, royalty and overriding royalty interest owners been notified by certified mail? Yes No
Are all produced fluids from all commingled zones compatible with each other? Yes No
Will commingling decrease the value of production? Yes No
If this well is on, or communitized with, state or federal lands, has either the Commissioner of Public Lands or the United States Bureau of Land Management been notified in writing of this application? Yes No

NMOCD Reference Case No. applicable to this well: _____

Attachments:

- C-102 for each zone to be commingled showing its spacing unit and acreage dedication.
- Production curve for each zone for at least one year. (If not available, attach explanation.)
- For zones with no production history, estimated production rates and supporting data.
- Data to support allocation method or formula.
- Notification list of working, royalty and overriding royalty interests for uncommon interest cases.
- Any additional statements, data or documents required to support commingling.



PRE-APPROVED POOLS

If application is to establish Pre-Approved Pools, the following additional information will be required:

- List of other orders approving downhole commingling within the proposed Pre-Approved Pools
- List of all operators within the proposed Pre-Approved Pools
- Proof that all operators within the proposed Pre-Approved Pools were provided notice of this application.
- Bottomhole pressure data.

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

SIGNATURE Bonnie Husband TITLE Production Analyst DATE 02/03/2004
TYPE OR PRINT NAME Bonnie Husband TELEPHONE NO. () (432)684-4293
E-MAIL ADDRESS bhusband@sagapetroleum.com

SUNDRY NOTICES AND REPORTS ON WELLS

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NMLC032573A

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Tubbs - BLinebry Oil & Gas

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Lea
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 Oil Well Gas Well Other

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SAGA PETROLEUM LLC

3a. Address
415 W. WALL, SUITE 1900, MIDLAND, TX 79701

3b. Phone No. (include area code)
(432)684-4293

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
510' FNL & 2130' FWL
Sec. 22 (C), T22S, R37E

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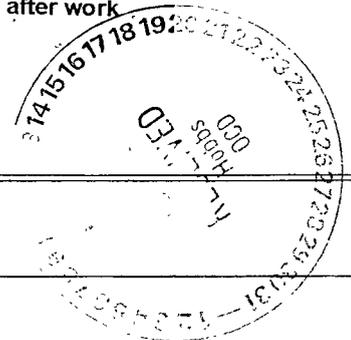
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After testing Blinebry perfs 5481'-5654' for approx 17 days, it has been determined that commercial production does not exist from the Blinebry perfs, therefore Saga proposes to remove the RBP & DHC production from the Tubb & Blinebry.

WI, ORRI, etc are the same for both zones, production is compatible. Surface commingling of the Blinebry, Drinkard & Tubb zones exist for wells #3, #4 & #5.

**SUBJECT TO
LIKE APPROVAL
BY NMOCD**

Well Completion Report (Form 3160-4) for the Blinebry recompletable and Subsequent Report of Downhole Commingling (Form 3160-5) must be filed after work has been completed.



14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed)
Bonnie Husband

Signature
Bonnie Husband

Title
Production Analyst

Date
02/03/2004

APPROVED THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by
(ORIG. SGD.) DAVID R. GLASS

Title
Office

Date
FEB 5 2004

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction

Hobbs, NM 88240
 Grand Avenue, Artesia, NM 88210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
 1220 South St. Francis Dr.
 Santa Fe, NM 87505

Form C-102
 Revised June 10, 2003
 Submit to Appropriate District Office
 State Lease - 4 Copies
 Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-10398	² Pool Code 06660	³ Pool Name Blinebry Oil & GAs
⁴ Property Code 25692	⁵ Property Name E M Elliott Federal	
⁷ OGRID No. 148967	⁶ Operator Name Saga Petroleum LLC	
		⁸ Well Number 3
		⁹ Elevation Gr 3386'

¹⁰Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	22	22S	37E		510	N	2130	W	Lea

¹¹Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

¹² Dedicated Acres 40	¹³ Joint or Infill I	¹⁴ Consolidation Code	¹⁵ Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<p>16</p>	<p>¹⁷ OPERATOR CERTIFICATION</p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p style="text-align: center;"><i>Bonnie Husband</i></p> <p>Signature</p> <p>Bonnie Husband Printed Name Production Analyst bhusband@sagapetroleum.com Title and E-mail Address</p> <p>02/04/2004 Date</p> <p>¹⁸ SURVEYOR CERTIFICATION</p> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p> <p style="text-align: right;"> </p> <p>Certificate Number</p>
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Hobbs, NM 88240
 Grand Avenue, Artesia, NM 88210
 District III
 1000 Rio Brazos Rd, Aztec, NM 87410
 District IV
 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
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 1220 South St. Francis Dr.
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Form C-102
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WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-10398		Pool Code 60240	Pool Name Tubbs
Property Code 25692	Property Name E M Elliott Federal		Well Number 3
OGRID No. 148967	Operator Name Saga Petroleum LLC		Elevation Gr 3386'

¹⁰Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	22	22S	37E		510	N	2130	W	Lea

¹¹Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County				
<table border="1"> <tr> <td>" Dedicated Acres 40</td> <td>" Joint or Infill I</td> <td>" Consolidation Code</td> <td>" Order No.</td> </tr> </table>										" Dedicated Acres 40	" Joint or Infill I	" Consolidation Code	" Order No.
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<p>16</p>	<p>17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. <i>Bonnie Husband</i> Signature Bonnie Husband Printed Name Production Analyst bhusband@sagapetroleum.com Title and E-mail Address 02/04/2004 Date</p>	
	<p>18 SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. Date of Survey Signature and Seal of Professional Surveyor</p>	
	<p>Certificate Number</p>	