



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

February 10, 2004

Texland Petroleum, Inc.
777 Main Street
Suite 3200
Fort Worth, Texas 76102

Re: Certification of Positive Production Response
Hobbs Upper Blinbry Cooperative Waterflood Project

Dear Ms. Harber:

Pursuant to your request dated December 8, 2003, please be advised that the Division hereby certifies that a positive production response occurred within the State 1-29 Well No. 5 (API No. 30-025-23173) located within the Hobbs Upper Blinbry Cooperative Waterflood Project on February 1, 2002.

The Division has further determined that this well, described as follows, is eligible for the recovered oil tax rate.

**State 1-29 Well No. 5 (API No. 30-025-23173)
Unit O, Section 29, T-18 South, Range 38 East, NMPM**

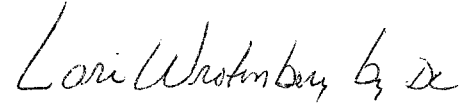
Texland Petroleum, Inc. shall notify the Division:

- (a) of the change in status of the subject well;
- (b) in the event new producing wells are drilled within the project area; and
- (c) of changes in operations within the project area which may affect the certification and resulting tax rate granted herein.

The Division Director shall notify the Secretary of the New Mexico Taxation and Revenue Department of the certification granted herein.

Amended Positive Production Response Certification
Texland Petroleum, Inc.
Hobbs Upper Blinbry Cooperative Waterflood Project
Page 2

Sincerely,

A handwritten signature in cursive script that reads "Lori Wrotenbery, Esq.".

Lori Wrotenbery
Director

Xc: File-EOR-56
Holland & Hart L.L.P.
Attn: Mr. William F. Carr



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

February 10, 2004

Lori Wrotenbery

Director

Oil Conservation Division

Department of Taxation and Revenue
P.O. Box 630
Santa Fe, New Mexico 87509-0630

Attention: Ms. Jan Goodwin, Secretary

Re: Certification of a Positive Production Response
State 1-29 Well No. 5
Hobbs Upper Blinebry Cooperative Waterflood Project
Texland Petroleum, Inc.

Dear Secretary Goodwin:

Enclosed is a copy of a Division Certification that was issued on February 10, 2004. This document certifies that a positive production response has occurred within an additional producing well in the Hobbs Upper Blinebry Cooperative Waterflood Project. The well is the State 1-29 Well No. 5 (API No. 30-025-23173) located in Unit O of Section 29, Township 18 South, Range 38 East, NMPM, Lea County, New Mexico. This production response is effective February 1, 2002. The Hobbs Upper Blinebry Cooperative Waterflood Project is currently operated by Texland Petroleum, Inc. In addition, this positive production response has occurred within the five year time limit as described within the "*New Mexico Enhanced Oil Recovery Act*". The Division has previously determined (by letter dated December 3, 2003) that eight wells within the certified area producing from the Hobbs Upper-Blinebry Pool were eligible for the recovered oil tax rate.

For your convenience, we have also enclosed a summary page showing all pertinent data. If additional information is required, please advise.

Sincerely,

Lori Wrotenbery
Director

LW/DRC

Xc: EOR-56

POSITIVE PRODUCTION RESPONSE DATA
HOBBS UPPER BLINEBRY COOPERATIVE WATERFLOOD PROJECT

NAME OF PROJECT

Hobbs Upper Blinebry Cooperative Waterflood Project

OPERATOR

Texland Petroleum, Inc.
777 Main Street
Suite 3200
Fort Worth, Texas 76102

POOL

Hobbs Upper-Blinebry Pool

OCD ORDER NO. APPROVING PROJECT & DATE

R-11638, August 20, 2001

PROJECT AREA

Township 18 South, Range 38 East, NMPM

Section 28: SW/4
Section 29: SW/4, S/2 SE/4, NW/4 SE/4, SW/4 NW/4
Section 30: SE/4, S/2 NE/4
Section 31: NE/4 NE/4
Section 32: N/2, SW/4
Section 33: NW/4, N/2 NE/4, SE/4 NE/4, NE/4 SE/4

DATE WATER INJECTION COMMENCED

November, 2001

DATE CERTIFIED PROJECT TO TAXATION & REVENUE

September 19, 2002

DATE POSITIVE PRODUCTION RESPONSE OCCURRED

February 1, 2002

CURRENT NUMBER OF WELLS WITHIN PROJECT AREA

Injection—6
Production—11

TEXLAND PETROLEUM, L.P.

EXPLORATION AND PRODUCTION

777 MAIN STREET, SUITE 3200

FORT WORTH, TEXAS 76102

(817) 338-2751

December 8, 2003

RECEIVED

DEC 10 2003

OIL CONSERVATION
DIVISION

Lori Wrotenbery
New Mexico Energy, Minerals & Natural Resources Dept.
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

Re: Certification of Positive Production Response
Hobbs Upper Blinbry Cooperative Waterflood Project

Dear Ms. Wrotenbery:

We received your letter dated December 3 certifying positive production response for the subject waterflood.

The Division determined that eight wells were eligible for the recovered oil tax rate. We have one additional well that has positive production which should be included and is shown as follows:

State 1-29 #5
API: 30-025-23173
Lease Number: 25696
Unit O, Section 29, T-18-S, Range 38-E
Lea County, New Mexico

I have attached a copy of the plat and production graph for this well. Would you please send us an amended Exhibit "A" showing this additional well.

If you need any further information, please feel free to call.

Sincerely,

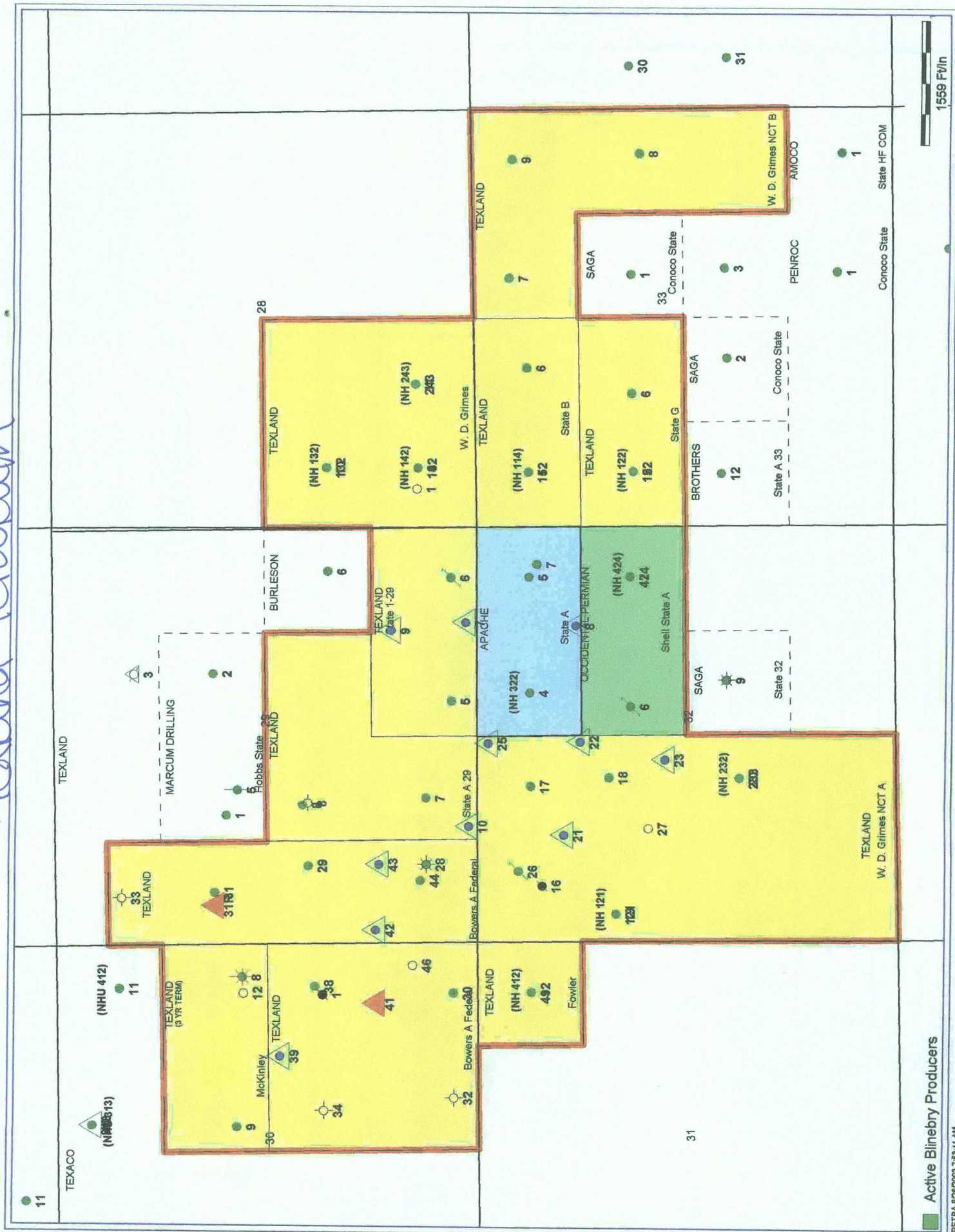


Diane Harber
Regulatory Analyst

dh
Attachments

330 FSL
2018 FEL
0-

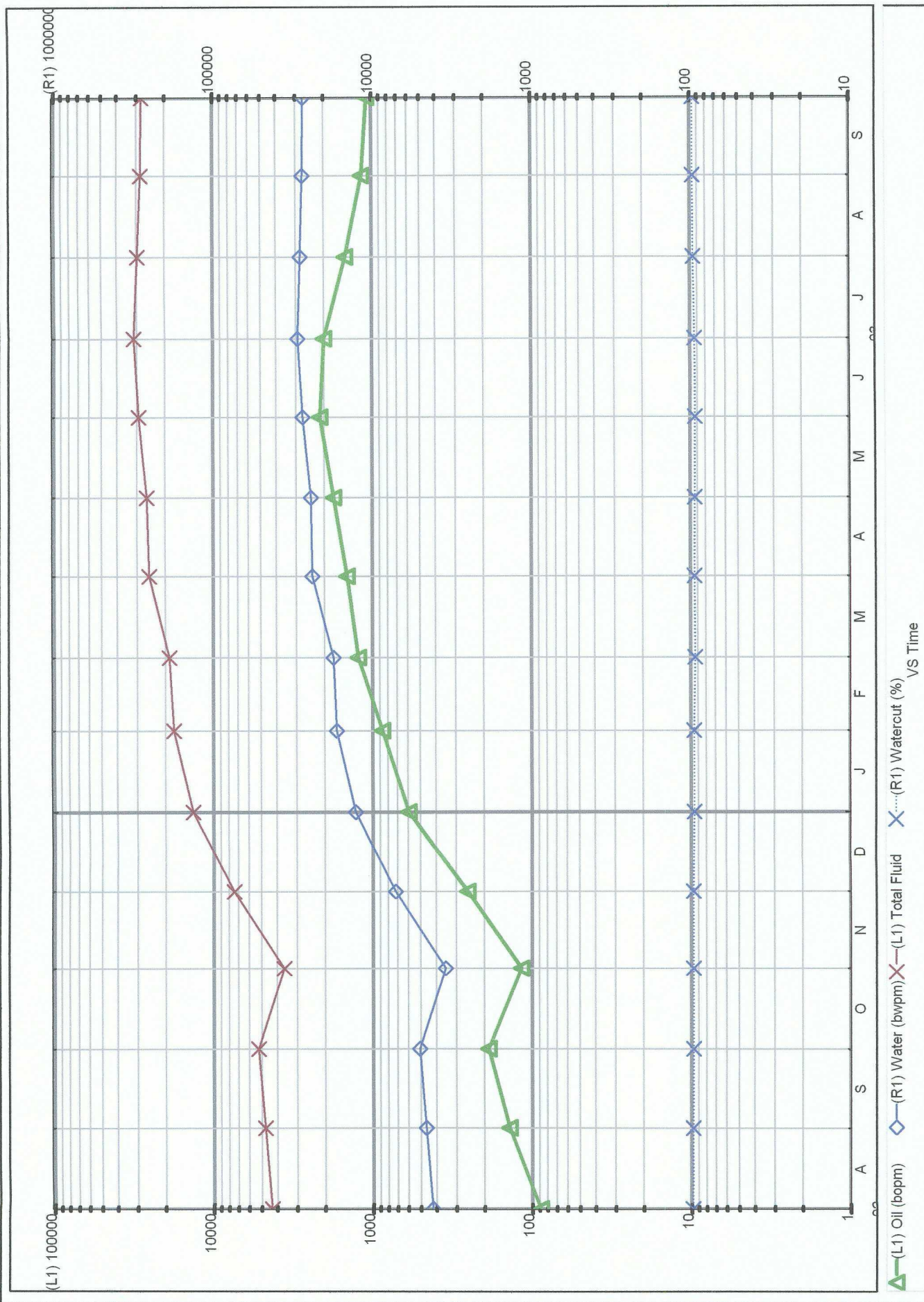
Texland Petroleum



Active Blinberry Producers

WELL:STATE 1-29 # 5 (BLINEBRY)

STATE:NM





NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

December 3, 2003

Lori Wrotenbery

Director

Oil Conservation Division

Department of Taxation and Revenue
P.O. Box 630
Santa Fe, New Mexico 87509-0630

Attention: Ms. Jan Goodwin, Secretary

Re: Certification of a Positive Production Response
Texland Petroleum, Inc.
Hobbs Upper Blinbry Cooperative Waterflood Project

Dear Secretary Goodwin:

Enclosed is a copy of a Division Certification that was issued on December 3, 2003. This document certifies that a positive production response has occurred within the Hobbs Upper Blinbry Cooperative Waterflood Project that is currently operated by Texland Petroleum, Inc.. In addition, this positive production response has occurred within the five year time limit as described within the "*New Mexico Enhanced Oil Recovery Act*". The Division has determined that eight wells within the certified area producing from the Hobbs Upper-Blinbry Pool are eligible for the recovered oil tax rate. These wells are shown on Exhibit "A" to the Division Certification.

For your convenience, we have also enclosed a summary page showing all pertinent data. If additional information is required, please advise.

Sincerely,

Lori Wrotenbery

Director

LW/DRC

Xc: EOR-56

POSITIVE PRODUCTION RESPONSE DATA
HOBBS UPPER BLINEBRY COOPERATIVE WATERFLOOD PROJECT

NAME OF PROJECT

Hobbs Upper Blinebry Cooperative Waterflood Project

OPERATOR

Texland Petroleum, Inc.
777 Main Street
Suite 3200
Fort Worth, Texas 76102

POOL

Hobbs Upper-Blinebry Pool

OCD ORDER NO. APPROVING PROJECT & DATE

R-11638, August 20, 2001

PROJECT AREA

Township 18 South, Range 38 East, NMPM

Section 28: SW/4
Section 29: SW/4, S/2 SE/4, NW/4 SE/4, SW/4 NW/4
Section 30: SE/4, S/2 NE/4
Section 31: NE/4 NE/4
Section 32: N/2, SW/4
Section 33: NW/4, N/2 NE/4, SE/4 NE/4, NE/4 SE/4

DATE WATER INJECTION COMMENCED

November, 2001

DATE CERTIFIED PROJECT TO TAXATION & REVENUE

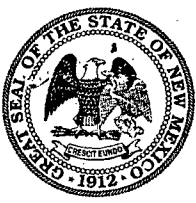
September 19, 2002

DATE POSITIVE PRODUCTION RESPONSE OCCURRED

February 1, 2002

CURRENT NUMBER OF WELLS WITHIN PROJECT AREA

Injection—6
Production—11



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

December 3, 2003

Texland Petroleum, Inc.
777 Main Street
Suite 3200
Fort Worth, Texas 76102

Re: Certification of Positive Production Response
Hobbs Upper Blinebry Cooperative Waterflood Project

Dear Ms. Burdette:

Pursuant to your request dated October 28, 2002, please be advised that the Division hereby certifies that a positive production response occurred within the Hobbs Upper Blinebry Cooperative Waterflood Project on February 1, 2002.

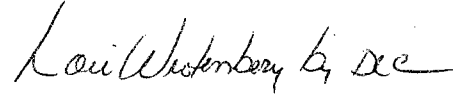
The Division has further determined that eight wells within the subject waterflood project, described on Exhibit "A" attached hereto, are eligible for the recovered oil tax rate.

Texland Petroleum, Inc. shall notify the Division:

- (a) of the change in status of any of the producing wells shown on Exhibit "A";
- (b) in the event new producing wells are drilled within the project area; and
- (c) of changes in operations within the project area which may affect the certification and resulting tax rate granted herein.

The Division Director shall notify the Secretary of the New Mexico Taxation and Revenue Department of the certification granted herein.

Sincerely,

A handwritten signature in cursive script, appearing to read "Lori Wrotenbery, DC".

Lori Wrotenbery
Director

Xc: File-EOR-56
Holland & Hart L.L.P.
Attn: Mr. Michael Feldewert

EXHIBIT "A"
CERTIFICATION OF POSITIVE PRODUCTION RESPONSE
HOBBS UPPER BLINEBRY COOPERATIVE WATERFLOOD PROJECT
PRODUCING WELLS

<u>API NUMBER</u>	<u>WELL NAME & NUMBER</u>	<u>WELL LOCATION UL-S-T-R</u>
30-025-23131	Bowers "A" Federal No. 29	Unit L, Section 29, T-18S, R-38E
30-025-28580	Bowers "A" Federal No. 38	Unit I, Section 30, T-18S, R-38E
30-025-35727	Bowers "A" Federal No. 39	Unit J, Section 30, T-18S, R-38E
30-025-35914	Bowers "A" Federal No. 44	Unit M, Section 29, T-18S, R-38E
30-025-22792	W. D. Grimes NCT-A No. 17	Unit C, Section 32, T-18S, R-38E
30-025-22915	W. D. Grimes NCT-A No. 18	Unit F, Section 32, T-18S, R-38E
30-025-35866	W. D. Grimes NCT-A No. 26	Unit D, Section 32, T-18S, R-38E
30-025-22934	State A-29 No. 7	Unit N, Section 29, T-18S, R-38E

HOLLAND & HART^{LLP}



Michael H. Feldewert
Recognized Specialist in the Area of
Natural Resources - oil and gas law -
New Mexico Board of Legal Specialization
mfeldewert@hollandhart.com
44514-0001

November 21, 2003

VIA HAND DELIVERY

David R. Catanach, Hearing Examiner
Oil Conservation Division
New Mexico Energy, Minerals and Natural Resources Dept.
1220 South St. Francis
Santa Fe, NM 87504

RECEIVED
NOV 21 2003
Oil Conservation Division

Re: Order No. R-11638
Certification of Enhanced Oil Recovery Project
Hobbs Upper Blinbry Pool Cooperative Waterflood Project
Lea County, New Mexico

Dear David:

Enclosed please find the October 28, 2002, letter and attachments to the Division that we discussed by telephone during the week of November 3rd. Could you please look at this matter at your earliest convenience, as it has been pending for some time.

Thanks David, and have a good Thanksgiving. If you have any questions, please feel free to call.

Sincerely,

Michael H. Feldewert

MHF:jlj

Enclosures

cc. James Wilkes, Texland Petroleum, Inc. (without attachment)

3152422_1.DOC

Holland & Hart^{LLP}

Phone [505] 988-4421 Fax [505] 983-6043 www.hollandhart.com

110 North Guadalupe Suite 1 Santa Fe, NM 87501 Mailing Address P.O. Box 2208 Santa Fe, NM 87504-2208

Aspen Billings Boise Boulder Cheyenne Colorado Springs Denver Denver Tech Center Jackson Hole Salt Lake City Santa Fe Washington, D.C. ♻

TEXLAND PETROLEUM, INC.

EXPLORATION AND PRODUCTION

777 MAIN STREET, SUITE 3200

FORT WORTH, TEXAS 76102

AREA 917 336-2751

RECEIVED

OCT 30 2002

OIL CONSERVATION
DIVISION

October 28, 2002

New Mexico Energy, Minerals
and Natural Resources Department
Oil Conservation Division
Attn: David Catanach
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

RE: OCD Order No. R-11638
Certification of Enhanced Oil Recovery
For Recovered Oil Tax Rate
Hobbs Upper Blinbry Cooperative
Waterflood Project

Dear David:

Texland Petroleum - Hobbs, L.L.C. would like to apply for certification of positive production response for it's Hobbs Upper Blinbry Cooperative Waterflood Project. Water injection for this project began on November 26, 2001. I have enclosed the following to show positive production since water injection began;

1. Plat showing waterflood project.
2. List of leases included in project
3. List of wells and their status
3. Production and water injection graphs for each lease
4. Production and injection reports by total project and by lease.

If you have any questions or further information is needed, please contact me at (817) 336-2751.

Sincerely,

A handwritten signature in black ink, appearing to read 'Ann Burdette', written in a cursive style.

Ann Burdette
Regulatory Analyst

Enclosure



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

BETTY RIVERA

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

September 19, 2002

Texland Petroleum, Inc.
777 Main Street
Suite 3200
Fort Worth, Texas 76102

Attention: Ms. Anne Burdette

CERTIFICATION OF ENHANCED OIL RECOVERY PROJECT FOR RECOVERED OIL TAX RATE

The New Mexico Oil Conservation Division hereby certifies that the following Enhanced Oil Recovery Project has been approved by the Division as a secondary recovery project pursuant to the provisions of the "*New Mexico Enhanced Oil Recovery Act*," Sections 7-29A-1 through 7-29A-5, NMSA 1978. In order to qualify for the recovered oil tax rate, you must apply for certification of positive production response within five years from the date of this certification. Only production from that portion of the project area identified herein which is actually developed for enhanced recovery will qualify for the reduced tax rate.

If operation of this project is terminated for any reason, the operator of the project must notify this Division and the Secretary of the Taxation and Revenue Department not later than the thirtieth day after termination.

NAME OF PROJECT:	Hobbs Upper Blinbry Cooperative Waterflood Project
OCD ORDER NO.	R-11638
OPERATOR:	Texland Petroleum, Inc.
ADDRESS:	777 Main Street, Suite 3200 Fort Worth, Texas 76102
CERTIFICATION DATE:	September 19, 2002

EOR Project Certification
Hobbs Upper Blinbry Cooperative
Waterflood Project

PROJECT AREA:

Township 18 South, Range 38 East, NMPM, Lea County, New Mexico

Section 28: SW/4
Section 29: SW/4, S/2 SE/4, NW/4 SE/4, SW/4 NW/4
Section 30: SE/4, S/2 NE/4
Section 31: NE/4 NE/4
Section 32: N/2, SW/4
Section 33: NW/4, N/2 NE/4, SE/4 NE/4, NE/4 SE/4

APPROVED BY:

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Lori Wrotenberg by Dee

LORI WROTENBERY
DIRECTOR

Xc: File-EOR 56
Mr. T. Glenn Ellington, Secretary
New Mexico Taxation and Revenue Department

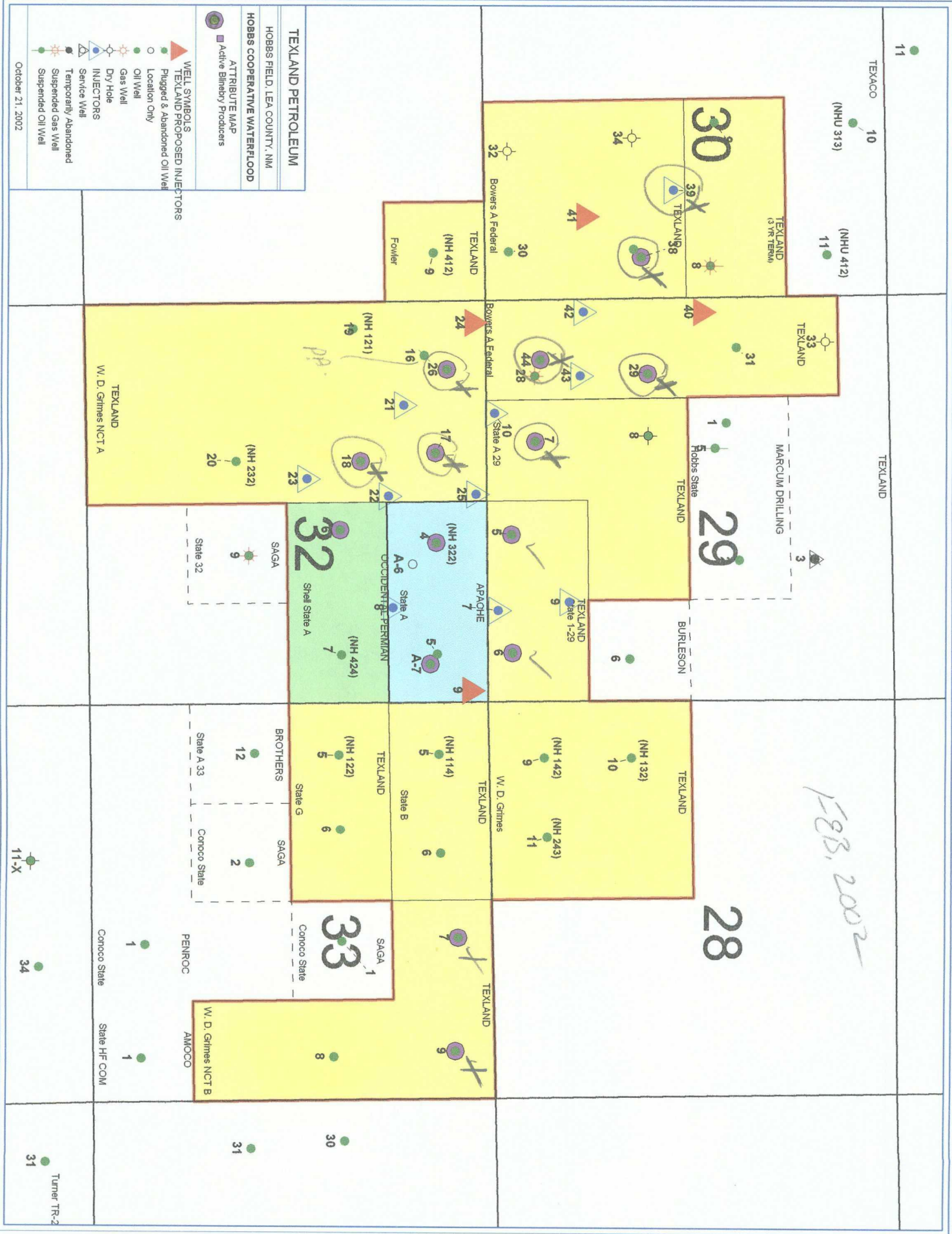
TEXLAND PETROLEUM - HOBBS, L.L.C.
HOBBS UPPER BLINEBRY FIELD
WATERFLOOD PROJECT

WELLS

Well Name	API #	Total Depth	Spud Date	Compl. Date	cf or Inj Inter	Status
BOWERS -A- FEDERAL 1	30-025-07471	6000	6/23/29	1/20/30	5878-5922	PA
BOWERS -A- FEDERAL 28	30-025-23022	6000	3/12/69	4/4/69	5856-5928	PA
BOWERS -A- FEDERAL 29	30-025-23131	6000	5/13/69	5/31/69	5831-5889	Producing
BOWERS -A- FEDERAL 30	30-025-23144	6000	5/28/69	6/24/69	5849-5946	PA
BOWERS -A- FEDERAL 38	30-025-28580	7300	3/27/89	4/7/89	5760-5950	Producing
BOWERS -A- FEDERAL 39	30-025-35727	6030	10/25/01	6/24/02	5749-5978	Producing
BOWERS -A- FEDERAL 44	30-025-35914	6020	6/6/02	6/24/02	5749-5978	Producing
GRIMES, W. D. NCT -B- # 7b	30-025-23438	7100	2/2/70	3/20/70	5848-5988	Producing
GRIMES, W. D. NCT -B- # 9b	30-025-28299	7110	7/28/00	8/4/00	5853-5917	Producing
GRIMES, W. D. NCT -A- # 16	30-025-22627	7050	1/1/68	8/10/68	5871-6083	Producing
GRIMES, W. D. NCT -A- # 17	30-025-22792	6150	10/19/68	11/20/68	5780-5949	Producing
GRIMES, W. D. NCT -A- # 18	30-025-22915	6020	2/1/69	2/20/69	5772-5928	Producing
GRIMES, W. D. NCT -A- # 19	30-025-23007					PA
GRIMES, W. D. NCT -A- # 21	30-025-35657	6123	8/27/01	11/20/01	5838-5978	Injection
GRIMES, W. D. NCT -A- # 22	30-025-35667	6110	9/12/01	11/29/01	5805-5949	Injection
GRIMES, W. D. NCT -A- # 23	30-025-35668	6058	10/7/01	12/5/01	5836-5967	Injection
GRIMES, W. D. NCT -A- # 25	30-025-35670	6067	9/25/01	11/19/01	5763-5993	Injection
GRIMES, W. D. NCT -A- # 26	30-025-35866	6050	5/24/02	6/19/02	5830-5981	Producing
McKINLEY, H. D. 9	30-025-32210	7000	7/19/69	10/13/69	5823-5908	TA
STATE 1-29 # 6	30-025-23252					PA
STATE 1-29 # 7	30-025-35672	6101	12/1/01	12/10/01	5891-5960	Injection
STATE A-29 # 7	30-025-22934	6050	1/14/69	2/8/01	5823-5941	Producing
STATE A-29 # 10	30-025-35674	6073	11/4/01	11/29/01	5761-5990	Injection

11/5/11

✓



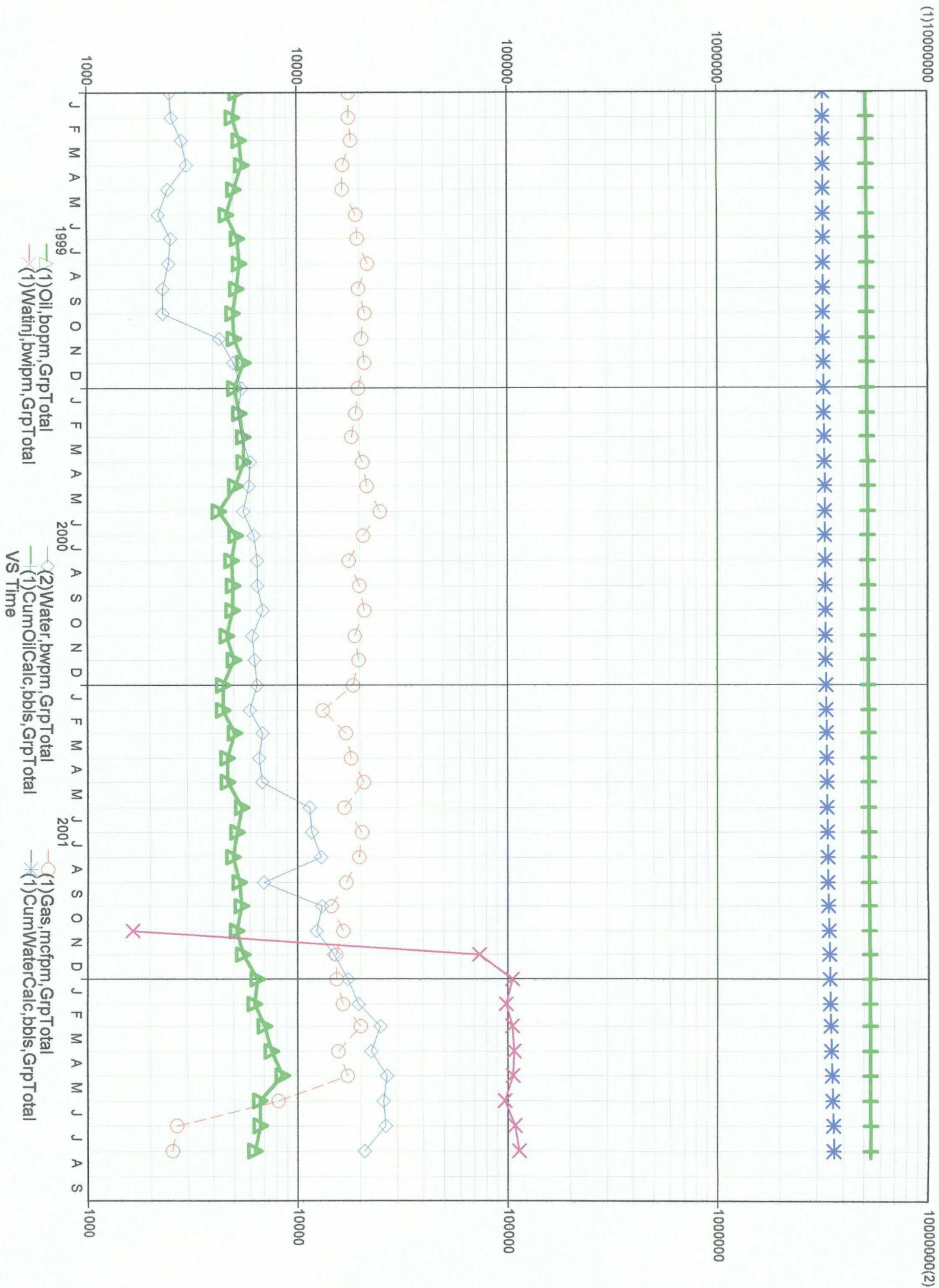
TEXLAND PETROLEUM - HOBBS, L.L.C.
HOBBS UPPER BLINEBRY FIELD
WATERFLOOD PROJECT
LEASES

Lease #	Name	Field	Reservoir	Comingled Permit
025070	BOWERS -A- FEDERAL	HOBBS	BLINEBRY	
24143	FOWLER	HOBBS	BLINEBRY	
25697	GRIMES, W. D. NCT -A-	HOBBS	BLINEBRY	
25698	GRIMES, W. D. NCT -B- 7 9 (BLINEBRY)	HOBBS	BLINEBRY	
10091	GRIMES, W. D.	HOBBS	BLINEBRY	
10992	McKINLEY, H. D.	HOBBS	BLINEBRY	
19523	STATE -B- # 5	HOBBS	BLINEBRY	
741910	STATE -B- # 6	HOBBS	BLINEBRY	
69703	STATE 1-29	HOBBS	BLINEBRY	
03096	STATE A-29	HOBBS	BLINEBRY	
19553	STATE G	HOBBS	BLINEBRY	

HOBBS WATERFLOOD PRODUCTION & INJECTION

1999 - 2002

Feb, 2002



HOBBSWF MONTHLY PRODUCTION AND INJECTION REPORT

Date	Date	Oil	CumOilCalc	Water	CumWaterCalc	Gas	n_CumGasCalc	n_Oil	Watinj	CumInjCalc	n_Watinj
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1/1/1999											
	1/1/1999	5205.000	5159740.000	2506.000	3207557.000	17755.000	20.000	10.000	0.000	0.000	0.000
	2/1/1999	4991.000	5164731.000	2550.000	3210107.000	17808.000	20.000	10.000	0.000	0.000	0.000
	3/1/1999	5375.000	5170106.000	2845.000	3212952.000	18173.000	20.000	10.000	0.000	0.000	0.000
	4/1/1999	5533.000	5175639.000	3011.000	3215963.000	16650.000	20.000	10.000	0.000	0.000	0.000
	5/1/1999	5045.000	5180684.000	2450.000	3218413.000	16610.000	20.000	10.000	0.000	0.000	0.000
	6/1/1999	4655.000	5185339.000	2197.000	3220610.000	19235.000	20.000	10.000	0.000	0.000	0.000
	7/1/1999	5243.000	5190582.000	2517.000	3223127.000	19495.000	20.000	10.000	0.000	0.000	0.000
	8/1/1999	5371.000	5195953.000	2457.000	3225584.000	21782.000	20.000	10.000	0.000	0.000	0.000
	9/1/1999	5206.000	5201159.000	2299.000	3227883.000	19782.000	20.000	10.000	0.000	0.000	0.000
	10/1/1999	4988.000	5206147.000	2302.000	3230185.000	21231.000	20.000	10.000	0.000	0.000	0.000
	11/1/1999	5051.000	5211198.000	4293.000	3234478.000	20412.000	20.000	10.000	0.000	0.000	0.000
	12/1/1999	5593.000	5216791.000	5002.000	3239480.000	21104.000	20.000	10.000	0.000	0.000	0.000
Total		62256.000	62258069.000	34429.000	38666339.000	230037.000	240.000	120.000			0.000

1/1/2000											
	1/1/2000	5063.000	5221854.000	5456.000	3244938.000	19662.000	20.000	10.000	0.000	0.000	0.000
	2/1/2000	5344.000	5227198.000	5238.000	3250176.000	19164.000	20.000	11.000	0.000	0.000	0.000
	3/1/2000	5560.000	5232758.000	5457.000	3255633.000	18257.000	20.000	11.000	0.000	0.000	0.000
	4/1/2000	5596.000	5238354.000	5999.000	3261632.000	20644.000	20.000	11.000	0.000	0.000	0.000
	5/1/2000	5100.000	5243454.000	5908.000	3267540.000	21581.000	20.000	11.000	0.000	0.000	0.000
	6/1/2000	4253.000	5247707.000	5580.000	3273120.000	24932.000	20.000	10.000	0.000	0.000	0.000
	7/1/2000	5117.000	5252824.000	6248.000	3279368.000	20719.000	20.000	10.000	0.000	0.000	0.000
	8/1/2000	4897.000	5257721.000	6488.000	3285856.000	17709.000	21.000	11.000	0.000	0.000	0.000
	9/1/2000	4962.000	5262683.000	6496.000	3292352.000	19891.000	21.000	11.000	0.000	0.000	0.000
	10/1/2000	4931.000	5267614.000	6897.000	3299249.000	20957.000	21.000	11.000	0.000	0.000	0.000
	11/1/2000	4621.000	5272235.000	6138.000	3305387.000	18894.000	21.000	11.000	0.000	0.000	0.000
	12/1/2000	5005.000	5277240.000	6282.000	3311669.000	19722.000	21.000	11.000	0.000	0.000	0.000
Total		60449.000	63001642.000	72189.000	39326920.000	242132.000	245.000	129.000			0.000

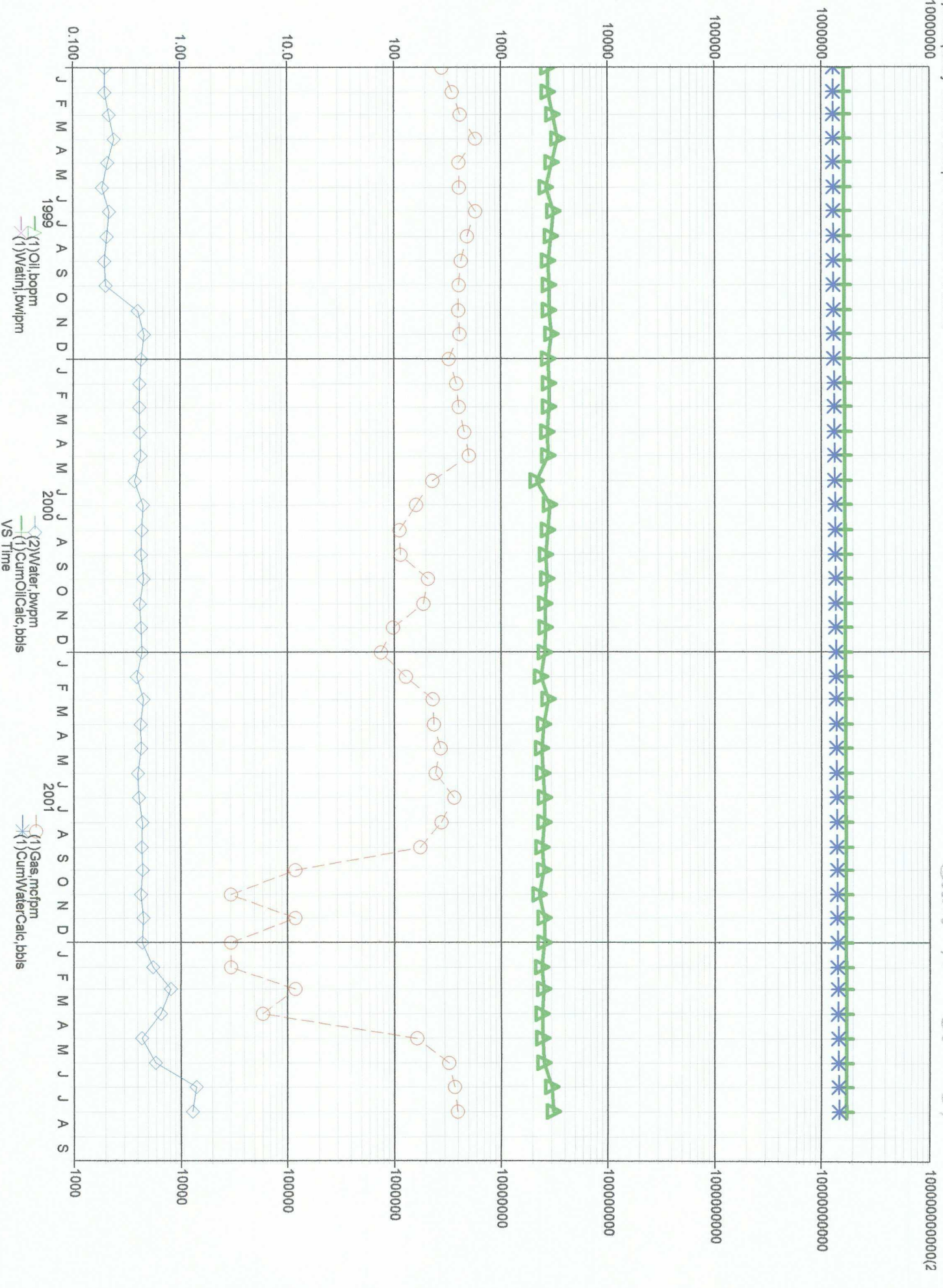
1/1/2001											
	1/1/2001	4442.000	5281682.000	6457.000	3318126.000	18566.000	21.000	11.000	0.000	0.000	0.000

Date	Date	Oil	CumOilCalc	Water	CumWaterCalc	Gas	n_CumGasCalc	n_Oil	Watinj	CumInjCalc	n_Watinj
1/1/2001											
	2/1/2001	4442.000	5286124.000	5970.000	3324096.000	13276.000	21.000	11.000	0.000	0.000	0.000
	3/1/2001	5062.000	5291186.000	6864.000	3330960.000	17148.000	21.000	11.000	0.000	0.000	0.000
	4/1/2001	4663.000	5295649.000	6617.000	3337577.000	18090.000	21.000	11.000	0.000	0.000	0.000
	5/1/2001	4684.000	5300533.000	6639.000	3344416.000	20804.000	21.000	11.000	0.000	0.000	0.000
	6/1/2001	5468.000	5306001.000	11525.000	3355941.000	16839.000	21.000	12.000	0.000	0.000	0.000
	7/1/2001	5197.000	5311198.000	11763.000	3367704.000	20419.000	21.000	12.000	0.000	0.000	0.000
	8/1/2001	4962.000	5316160.000	13018.000	3380722.000	19782.000	21.000	12.000	0.000	0.000	0.000
	9/1/2001	5323.000	5321483.000	6968.000	3387690.000	17157.000	21.000	12.000	0.000	0.000	0.000
	10/1/2001	5446.000	5326929.000	13145.000	3400835.000	14605.000	21.000	12.000	0.000	0.000	0.000
	11/1/2001	5171.000	5332100.000	12383.000	3413218.000	16581.000	21.000	12.000	1653.000	1653.000	2.000
	12/1/2001	5542.000	5337642.000	14974.000	3428192.000	15346.000	21.000	12.000	73883.000	75536.000	7.000
Total		60402.000	63706887.000	116523.000	40389477.000	208613.000	252.000	139.000	75536.000	77189.000	9.000
1/1/2002											
	1/1/2002	6500.000	5344142.000	17432.000	3445624.000	15383.000	21.000	12.000	106152.000	181688.000	7.000
	2/1/2002	6285.000	5350427.000	19628.000	3465252.000	16487.000	22.000	13.000	98934.000	280622.000	7.000
	3/1/2002	7028.000	5357455.000	24908.000	3490160.000	20086.000	22.000	13.000	105950.000	386572.000	7.000
	4/1/2002	7550.000	5365005.000	22469.000	3512629.000	15688.000	22.000	13.000	107953.000	494525.000	7.000
	5/1/2002	8536.000	5373541.000	26726.000	3539355.000	17406.000	22.000	12.000	106375.000	600900.000	7.000
	6/1/2002	6648.000	5380189.000	25690.000	3565045.000	8145.000	22.000	12.000	97672.000	698572.000	7.000
	7/1/2002	6681.000	5386870.000	26390.000	3591435.000	2657.000	22.000	12.000	109168.000	807740.000	7.000
	8/1/2002	6281.800	5393151.800	20882.100	3612317.100	2537.200	22.000	13.000	113955.000	921695.000	7.000
Total		55509.800	42950780.800	184125.100	28221817.100	98389.200	175.000	100.000	846159.000	4372314.000	56.000
Total		238616.800	231917378.800	407266.100	146604553.100	779171.200	912.000	488.000	921695.000	4449503.000	65.000

Group: Temporary Wells In Group: 8 Format: H-14CURVE
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**BOWERS-A- FEDERAL LEASE
PRODUCTION & INJECTION 1999-2002**

*TUUG, 2002
Bowers A - 38 & 39*



BOWERS A FEDERAL MONTHLY PRODUCTION AND INJECTION REPORT

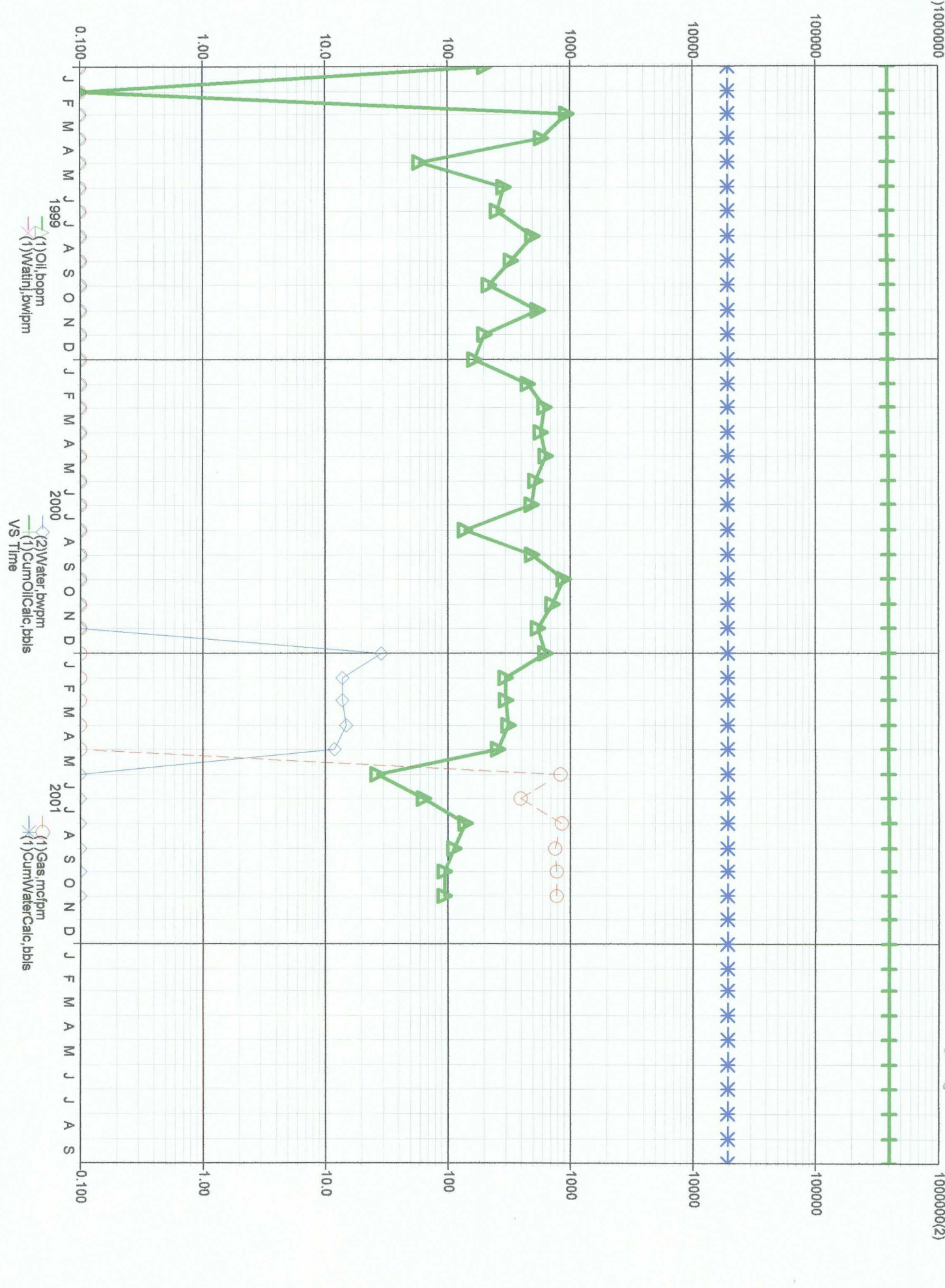
Date	Date	Oil	CumOilCalc	Water	CumWaterCalc	Gas	CumGasCalc	Watinj	CumInjCalc
1/1/1999									

1/1/1999	2781.000	1628412.000	2025.000	1299996.000	283.000	343015.000	0.000	0.000
2/1/1999	2824.000	1631236.000	2019.000	1301115.000	356.000	343371.000	0.000	0.000
3/1/1999	3100.000	1634336.000	2215.000	1303330.000	422.000	343793.000	0.000	0.000
4/1/1999	3450.000	1637786.000	2464.000	1305794.000	555.000	344378.000	0.000	0.000
5/1/1999	3050.000	1640836.000	2124.000	1307918.000	410.000	344788.000	0.000	0.000
6/1/1999	2703.000	1643539.000	1895.000	1309813.000	415.000	345203.000	0.000	0.000
7/1/1999	3155.000	1646694.000	2208.000	1312021.000	586.000	345789.000	0.000	0.000
8/1/1999	2993.000	1649687.000	2096.000	1314117.000	491.000	346280.000	0.000	0.000
9/1/1999	2811.000	1652498.000	1987.000	1316104.000	429.000	346709.000	0.000	0.000
10/1/1999	2875.000	1655373.000	2033.000	1318137.000	410.000	347119.000	0.000	0.000
11/1/1999	2872.000	1658245.000	4068.000	1322205.000	407.000	347526.000	0.000	0.000
12/1/1999	3032.000	1661277.000	4664.000	1326869.000	417.000	347943.000	0.000	0.000
Total	35646.000	19739919.000	29798.000	15736519.000	5211.000	4145914.000		

Date	Date	Oil	CumOilCalc	Water	CumWaterCalc	Gas	CumGasCalc	Watinj	CumInjCalc
1/1/2000									
1/1/2000		2817.000	1664094.000	4364.000	1331233.000	331.000	348274.000	0.000	0.000
2/1/2000		2853.000	1666947.000	4211.000	1335444.000	390.000	348664.000	0.000	0.000
3/1/2000		2877.000	1669824.000	4221.000	1339665.000	410.000	349074.000	0.000	0.000
4/1/2000		2754.000	1672578.000	4242.000	1343907.000	461.000	349535.000	0.000	0.000
5/1/2000		2811.000	1675389.000	4319.000	1348226.000	508.000	350043.000	0.000	0.000
6/1/2000		2190.000	1677579.000	3825.000	1352051.000	231.000	350274.000	0.000	0.000
7/1/2000		2928.000	1680507.000	4555.000	1356606.000	163.000	350437.000	0.000	0.000
8/1/2000		2790.000	1683297.000	4437.000	1361043.000	114.000	350551.000	0.000	0.000
9/1/2000		2664.000	1685961.000	4364.000	1365407.000	116.000	350667.000	0.000	0.000
10/1/2000		2732.000	1688693.000	4595.000	1370002.000	210.000	350877.000	0.000	0.000
11/1/2000		2625.000	1691318.000	4258.000	1374260.000	189.000	351066.000	0.000	0.000
12/1/2000		2645.000	1693963.000	4373.000	1378633.000	99.000	351165.000	0.000	0.000
Total		32686.000	20150150.000	51764.000	16256477.000	3222.000	4200627.000		

Date	Date	Oil	CumOilCalc	Water	CumWaterCalc	Gas	CumGasCalc	Wating	CumInjCalc
1/1/2001	1/1/2001	2588.000	1696551.000	4437.000	1383070.000	76.000	351241.000	0.000	0.000

Date	Date	Oil	CumOilCalc	Water	CumWaterCalc	Gas	CumGasCalc	Watinj	CumInjCalc
1/1/2001									
	2/1/2001	2390.000	1698941.000	3969.000	1387039.000	130.000	351371.000	0.000	0.000
	3/1/2001	2814.000	1701755.000	4569.000	1391608.000	231.000	351602.000	0.000	0.000
	4/1/2001	2541.000	1704296.000	4306.000	1395914.000	237.000	351839.000	0.000	0.000
	5/1/2001	2446.000	1706742.000	4318.000	1400232.000	274.000	352113.000	0.000	0.000
	6/1/2001	2495.000	1709237.000	4031.000	1404263.000	245.000	352358.000	0.000	0.000
	7/1/2001	2586.000	1711823.000	4120.000	1408383.000	368.000	352726.000	0.000	0.000
	8/1/2001	2579.000	1714402.000	4441.000	1412824.000	280.000	353006.000	0.000	0.000
	9/1/2001	2468.000	1716870.000	4373.000	1417197.000	176.000	353182.000	0.000	0.000
	10/1/2001	2556.000	1719426.000	4456.000	1421653.000	12.000	353194.000	0.000	0.000
	11/1/2001	2305.000	1721731.000	4276.000	1425929.000	3.000	353197.000	0.000	0.000
	12/1/2001	2563.000	1724294.000	4513.000	1430442.000	12.000	353209.000	0.000	0.000
Total		30331.000	20526068.000	51809.000	16878554.000	2044.000	4229038.000		
1/1/2002									
	1/1/2002	2579.000	1726873.000	4423.000	1434865.000	3.000	353212.000	0.000	0.000
	2/1/2002	2434.000	1729307.000	5552.000	1440417.000	3.000	353215.000	0.000	0.000
	3/1/2002	2557.000	1731864.000	8210.000	1448627.000	12.000	353227.000	0.000	0.000
	4/1/2002	2462.000	1734326.000	6587.000	1455214.000	6.000	353233.000	0.000	0.000
	5/1/2002	2484.000	1736810.000	4381.000	1459595.000	164.000	353397.000	0.000	0.000
	6/1/2002	2543.000	1739353.000	5877.000	1465472.000	327.000	353724.000	0.000	0.000
	7/1/2002	3025.000	1742378.000	14182.000	1479654.000	373.000	354097.000	0.000	0.000
	8/1/2002	3141.000	1745619.000	13082.000	1492736.000	397.000	354494.000	0.000	0.000
Total		21225.000	13886430.000	62294.000	11676580.000	1285.000	2828599.000		
Total		119888.000	74302567.000	195665.000	60548130.000	11762.000	15404178.000		



STATE -G- MONTHLY PRODUCTION AND INJECTION REPORT

Date	Date	Oil	CumOilCalc	Water	CumWaterCalc	Gas	CumGasCalc	Watinj	CumInjCalc
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1/1/1999									
	1/1/1999	203.000	387852.000	0.000	19307.000	0.000	580361.000	0.000	0.000
	2/1/1999	0.000	387852.000	0.000	19307.000	0.000	580361.000	0.000	0.000
	3/1/1999	954.000	388806.000	0.000	19307.000	0.000	580361.000	0.000	0.000
	4/1/1999	591.000	389397.000	0.000	19307.000	0.000	580361.000	0.000	0.000
	5/1/1999	60.000	389457.000	0.000	19307.000	0.000	580361.000	0.000	0.000
	6/1/1999	292.000	389749.000	0.000	19307.000	0.000	580361.000	0.000	0.000
	7/1/1999	256.000	390005.000	0.000	19307.000	0.000	580361.000	0.000	0.000
	8/1/1999	499.000	390504.000	0.000	19307.000	0.000	580361.000	0.000	0.000
	9/1/1999	332.000	390836.000	0.000	19307.000	0.000	580361.000	0.000	0.000
	10/1/1999	219.000	391055.000	0.000	19307.000	0.000	580361.000	0.000	0.000
	11/1/1999	548.000	391603.000	0.000	19307.000	0.000	580361.000	0.000	0.000
	12/1/1999	201.000	391804.000	0.000	19307.000	0.000	580361.000	0.000	0.000
Total		4155.000	4678920.000	0.000	231684.000	0.000	6964332.000		

1/1/2000									
	1/1/2000	167.000	391971.000	0.000	19307.000	0.000	580361.000	0.000	0.000
	2/1/2000	455.000	392426.000	0.000	19307.000	0.000	580361.000	0.000	0.000
	3/1/2000	621.000	393047.000	0.000	19307.000	0.000	580361.000	0.000	0.000
	4/1/2000	578.000	393625.000	0.000	19307.000	0.000	580361.000	0.000	0.000
	5/1/2000	636.000	394261.000	0.000	19307.000	0.000	580361.000	0.000	0.000
	6/1/2000	526.000	394787.000	0.000	19307.000	0.000	580361.000	0.000	0.000
	7/1/2000	488.000	395275.000	0.000	19307.000	0.000	580361.000	0.000	0.000
	8/1/2000	139.000	395414.000	0.000	19307.000	0.000	580361.000	0.000	0.000
	9/1/2000	493.000	395907.000	0.000	19307.000	0.000	580361.000	0.000	0.000
	10/1/2000	894.000	396801.000	0.000	19307.000	0.000	580361.000	0.000	0.000
	11/1/2000	720.000	397521.000	0.000	19307.000	0.000	580361.000	0.000	0.000
	12/1/2000	551.000	398072.000	0.000	19307.000	0.000	580361.000	0.000	0.000
Total		6268.000	4739107.000	0.000	231684.000	0.000	6964332.000		

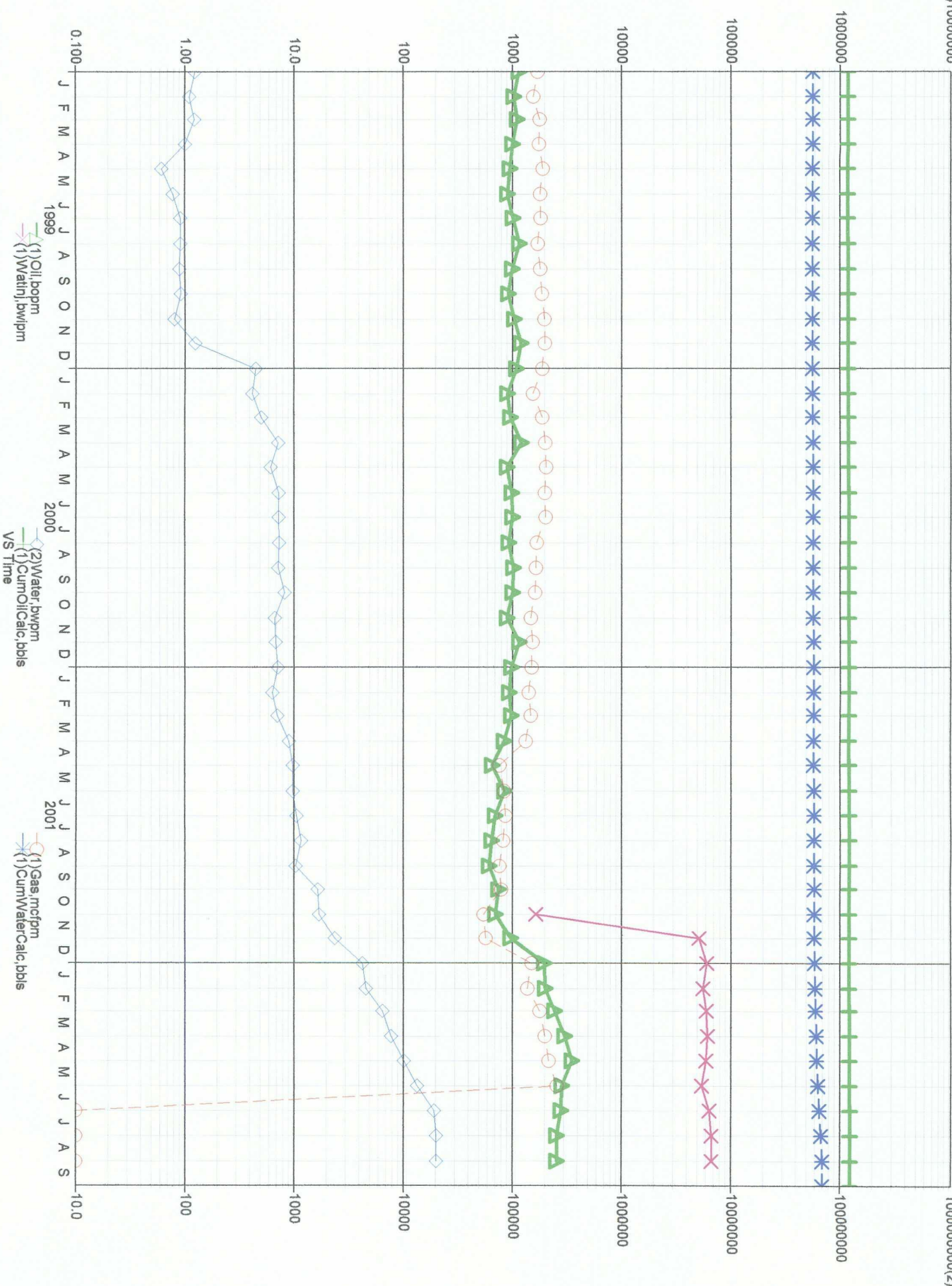
1/1/2001									
	1/1/2001	630.000	398702.000	29.000	19336.000	0.000	580361.000	0.000	0.000

Date	Date	Oil	CumOilCalc	Water	CumWaterCalc	Gas	CumGasCalc	Watinj	CumInjCalc
1/1/2001									
2/1/2001		298.000	399000.000	14.000	19350.000	0.000	580361.000	0.000	0.000
3/1/2001		301.000	399301.000	14.000	19364.000	0.000	580361.000	0.000	0.000
4/1/2001		314.000	399615.000	15.000	19379.000	0.000	580361.000	0.000	0.000
5/1/2001		258.000	399873.000	12.000	19391.000	0.000	580361.000	0.000	0.000
6/1/2001		27.000	399900.000	0.000	19391.000	837.000	581198.000	0.000	0.000
7/1/2001		64.000	399964.000	0.000	19391.000	394.000	581592.000	0.000	0.000
8/1/2001		141.000	400105.000	0.000	19391.000	859.000	582451.000	0.000	0.000
9/1/2001		114.000	400219.000	0.000	19391.000	758.000	583209.000	0.000	0.000
10/1/2001		95.000	400314.000	0.000	19391.000	783.000	583992.000	0.000	0.000
11/1/2001		95.000	400409.000	0.000	19391.000	783.000	584775.000	0.000	0.000
12/1/2001		0.000	400409.000	0.000	19391.000	0.000	584775.000	0.000	0.000
Total		2337.000	4797811.000	84.000	232557.000	4414.000	6983797.000		
1/1/2002									
1/1/2002		0.000	400409.000	0.000	19391.000	0.000	584775.000	0.000	0.000
2/1/2002		0.000	400409.000	0.000	19391.000	0.000	584775.000	0.000	0.000
3/1/2002		0.000	400409.000	0.000	19391.000	0.000	584775.000	0.000	0.000
4/1/2002		0.000	400409.000	0.000	19391.000	0.000	584775.000	0.000	0.000
5/1/2002		0.000	400409.000	0.000	19391.000	0.000	584775.000	0.000	0.000
6/1/2002		0.000	400409.000	0.000	19391.000	0.000	584775.000	0.000	0.000
7/1/2002		0.000	400409.000	0.000	19391.000	0.000	584775.000	0.000	0.000
8/1/2002		0.000	400409.000	0.000	19391.000	0.000	584775.000	0.000	0.000
Total			3203272.000		155128.000		4678200.000		
Total		12760.000	17419110.000	84.000	851053.000	4414.000	25590661.000		

Group: Temporary Wells In Group: 10 Format: H-14CURVE
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GRIMES NCT-A-LEASE PRODUCTION & INJECTION 1999-2002

DEC 18, 2001
W.D. Grimes NCT-A 17, 18, 26
(1)100000000(2)



GRIMES NCT -A- MONTHLY PRODUCTION AND INJECTION REPORT

Date	Date	Oil	CumOilCalc	Water	CumWaterCalc	Gas	CumGasCalc	Watinj	CumInjCalc
1/1/1999									
	1/1/1999	1164.000	1189925.000	124.000	565534.000	1721.000	924595.000	0.000	0.000
	2/1/1999	1041.000	1190966.000	112.000	565646.000	1578.000	926173.000	0.000	0.000
	3/1/1999	1117.000	1192083.000	124.000	565770.000	1794.000	927967.000	0.000	0.000
	4/1/1999	1013.000	1193096.000	102.000	565872.000	1761.000	929728.000	0.000	0.000
	5/1/1999	959.000	1194055.000	62.000	565934.000	1907.000	931635.000	0.000	0.000
	6/1/1999	910.000	1194965.000	79.000	566013.000	1814.000	933449.000	0.000	0.000
	7/1/1999	1020.000	1195985.000	93.000	566106.000	1836.000	935285.000	0.000	0.000
	8/1/1999	1166.000	1197151.000	93.000	566199.000	1726.000	937011.000	0.000	0.000
	9/1/1999	1004.000	1198155.000	90.000	566289.000	1821.000	938832.000	0.000	0.000
	10/1/1999	924.000	1199079.000	93.000	566382.000	1873.000	940705.000	0.000	0.000
	11/1/1999	1046.000	1200125.000	81.000	566463.000	1966.000	942691.000	0.000	0.000
	12/1/1999	1214.000	1201339.000	126.000	566589.000	1997.000	944688.000	0.000	0.000
Total		12578.000	14346924.000	1179.000	6792797.000	21814.000	11212759.000		

Date	Date	Oil	CumOilCalc	Water	CumWaterCalc	Gas	CumGasCalc	Watinj	CumInjCalc
1/1/2000									
	1/1/2000	1100.000	1202439.000	451.000	567040.000	1906.000	946594.000	0.000	0.000
	2/1/2000	913.000	1203352.000	421.000	567461.000	1565.000	948159.000	0.000	0.000
	3/1/2000	969.000	1204321.000	509.000	567970.000	1893.000	950052.000	0.000	0.000
	4/1/2000	1219.000	1205540.000	730.000	568700.000	2015.000	952067.000	0.000	0.000
	5/1/2000	902.000	1206442.000	619.000	569319.000	2053.000	954120.000	0.000	0.000
	6/1/2000	996.000	1207438.000	733.000	570052.000	2003.000	956123.000	0.000	0.000
	7/1/2000	1016.000	1208454.000	732.000	570784.000	2046.000	958169.000	0.000	0.000
	8/1/2000	933.000	1209387.000	742.000	571526.000	1690.000	959859.000	0.000	0.000
	9/1/2000	1033.000	1210420.000	730.000	572256.000	1658.000	961517.000	0.000	0.000
	10/1/2000	1016.000	1211436.000	833.000	573089.000	1628.000	963145.000	0.000	0.000
	11/1/2000	900.000	1212336.000	679.000	573768.000	1489.000	964634.000	0.000	0.000
	12/1/2000	1169.000	1213505.000	688.000	574456.000	1539.000	966173.000	0.000	0.000
Total		12166.000	14495070.000	7867.000	6846421.000	21485.000	11480612.000		

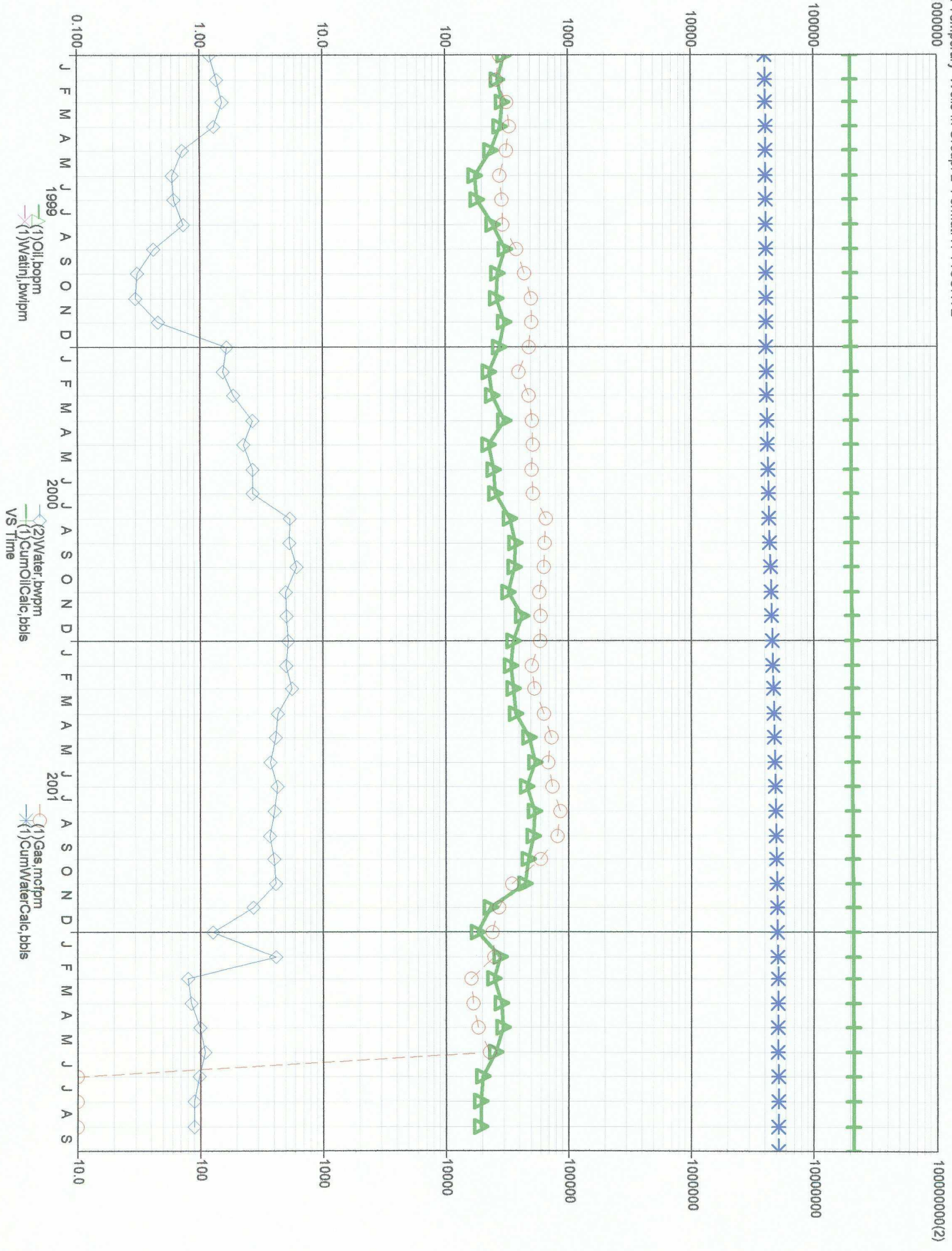
Date	Date	Oil	CumOilCalc	Water	CumWaterCalc	Gas	CumGasCalc	Watinj	CumInjCalc
1/1/2001									
	1/1/2001	991.000	1214496.000	718.000	575174.000	1518.000	967691.000	0.000	0.000

Date	Date	Oil	CumOilCalc	Water	CumWaterCalc	Gas	CumGasCalc	Watinj	CumInjCalc
1/1/2001									
	2/1/2001	944.000	1215440.000	640.000	575814.000	1421.000	969112.000	0.000	0.000
	3/1/2001	991.000	1216431.000	715.000	576529.000	1488.000	970600.000	0.000	0.000
	4/1/2001	844.000	1217275.000	914.000	577443.000	1337.000	971937.000	0.000	0.000
	5/1/2001	659.000	1217934.000	987.000	578430.000	768.000	972705.000	0.000	0.000
	6/1/2001	852.000	1218786.000	990.000	579420.000	849.000	973554.000	0.000	0.000
	7/1/2001	699.000	1219485.000	1065.000	580485.000	873.000	974427.000	0.000	0.000
	8/1/2001	654.000	1220139.000	1184.000	581669.000	834.000	975261.000	0.000	0.000
	9/1/2001	620.000	1220759.000	1047.000	582716.000	769.000	976030.000	0.000	0.000
	10/1/2001	757.000	1221516.000	1669.000	584385.000	798.000	976828.000	0.000	0.000
	11/1/2001	710.000	1222226.000	1716.000	586101.000	552.000	977380.000	1653.000	1653.000
	12/1/2001	976.000	1223202.000	2406.000	588507.000	575.000	977955.000	51938.000	53591.000
Total		9697.000	14627689.000	14051.000	6966673.000	11782.000	11683480.000	53591.000	55244.000
1/1/2002									
	1/1/2002	1991.000	1225193.000	4271.000	592778.000	1514.000	979469.000	60785.000	114376.000
	2/1/2002	2023.000	1227216.000	4616.000	597394.000	1387.000	980856.000	56314.000	170690.000
	3/1/2002	2462.000	1229678.000	6513.000	603907.000	1801.000	982657.000	60436.000	231126.000
	4/1/2002	3058.000	1232736.000	7797.000	611704.000	1998.000	984655.000	62001.000	293127.000
	5/1/2002	3551.000	1236287.000	10227.000	621931.000	2175.000	986830.000	59855.000	352982.000
	6/1/2002	2860.000	1239147.000	13493.000	635424.000	2562.000	989392.000	54692.000	407674.000
	7/1/2002	2808.000	1241955.000	19267.000	654691.000	0.000	989392.000	64318.000	471992.000
	8/1/2002	2584.000	1244539.000	20155.000	674846.000	0.000	989392.000	67150.000	539142.000
Total		21337.000	9876751.000	86339.000	4992675.000	11437.000	7882643.000	485551.000	2581109.000
Total		55778.000	53346434.000	109436.000	25598566.000	66518.000	42259494.000	539142.000	2636353.000

GRIMES NCT-B- LEASE PRODUCTION & INJECTION 1999-2002

No Effect

Group: Temporary Wells In Group: 2 Format: H-14CURVE
(1)1000000



GRIMES NCT -B- MONTHLY PRODUCTION AND INJECTION REPORT

Date	Date	Oil	CumOilCalc	Water	CumWaterCalc	Gas	CumGasCalc	Watinj	CumInjCalc
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1/1/1999									
	1/1/1999	306.000	199291.000	122.000	40542.000	279.000	292748.000	0.000	0.000
	2/1/1999	270.000	199561.000	140.000	40662.000	263.000	293011.000	0.000	0.000
	3/1/1999	297.000	199858.000	155.000	40837.000	321.000	293332.000	0.000	0.000
	4/1/1999	282.000	200140.000	132.000	40969.000	336.000	293668.000	0.000	0.000
	5/1/1999	238.000	200378.000	73.000	41042.000	317.000	293985.000	0.000	0.000
	6/1/1999	177.000	200555.000	60.000	41102.000	280.000	294265.000	0.000	0.000
	7/1/1999	183.000	200738.000	62.000	41164.000	291.000	294556.000	0.000	0.000
	8/1/1999	247.000	200985.000	74.000	41238.000	297.000	294853.000	0.000	0.000
	9/1/1999	311.000	201296.000	42.000	41280.000	383.000	295236.000	0.000	0.000
	10/1/1999	270.000	201566.000	31.000	41311.000	445.000	295681.000	0.000	0.000
	11/1/1999	263.000	201829.000	30.000	41341.000	504.000	296185.000	0.000	0.000
	12/1/1999	305.000	202134.000	46.000	41387.000	507.000	296692.000	0.000	0.000
Total		3149.000	2408331.000	967.000	492895.000	4223.000	3534212.000		

1/1/2000									
	1/1/2000	277.000	202411.000	167.000	41554.000	484.000	297176.000	0.000	0.000
	2/1/2000	229.000	202640.000	156.000	41710.000	397.000	297573.000	0.000	0.000
	3/1/2000	244.000	202884.000	189.000	41899.000	481.000	298054.000	0.000	0.000
	4/1/2000	306.000	203190.000	271.000	42170.000	511.000	298565.000	0.000	0.000
	5/1/2000	227.000	203417.000	229.000	42399.000	521.000	299086.000	0.000	0.000
	6/1/2000	250.000	203667.000	271.000	42670.000	508.000	299594.000	0.000	0.000
	7/1/2000	256.000	203923.000	271.000	42941.000	519.000	300113.000	0.000	0.000
	8/1/2000	339.000	204262.000	546.000	43487.000	661.000	300774.000	0.000	0.000
	9/1/2000	375.000	204637.000	540.000	44027.000	649.000	301423.000	0.000	0.000
	10/1/2000	369.000	205006.000	616.000	44643.000	637.000	302060.000	0.000	0.000
	11/1/2000	328.000	205334.000	502.000	45145.000	563.000	302643.000	0.000	0.000
	12/1/2000	425.000	205759.000	510.000	45655.000	601.000	303244.000	0.000	0.000
Total		3625.000	2447130.000	4268.000	518300.000	6552.000	3600305.000		

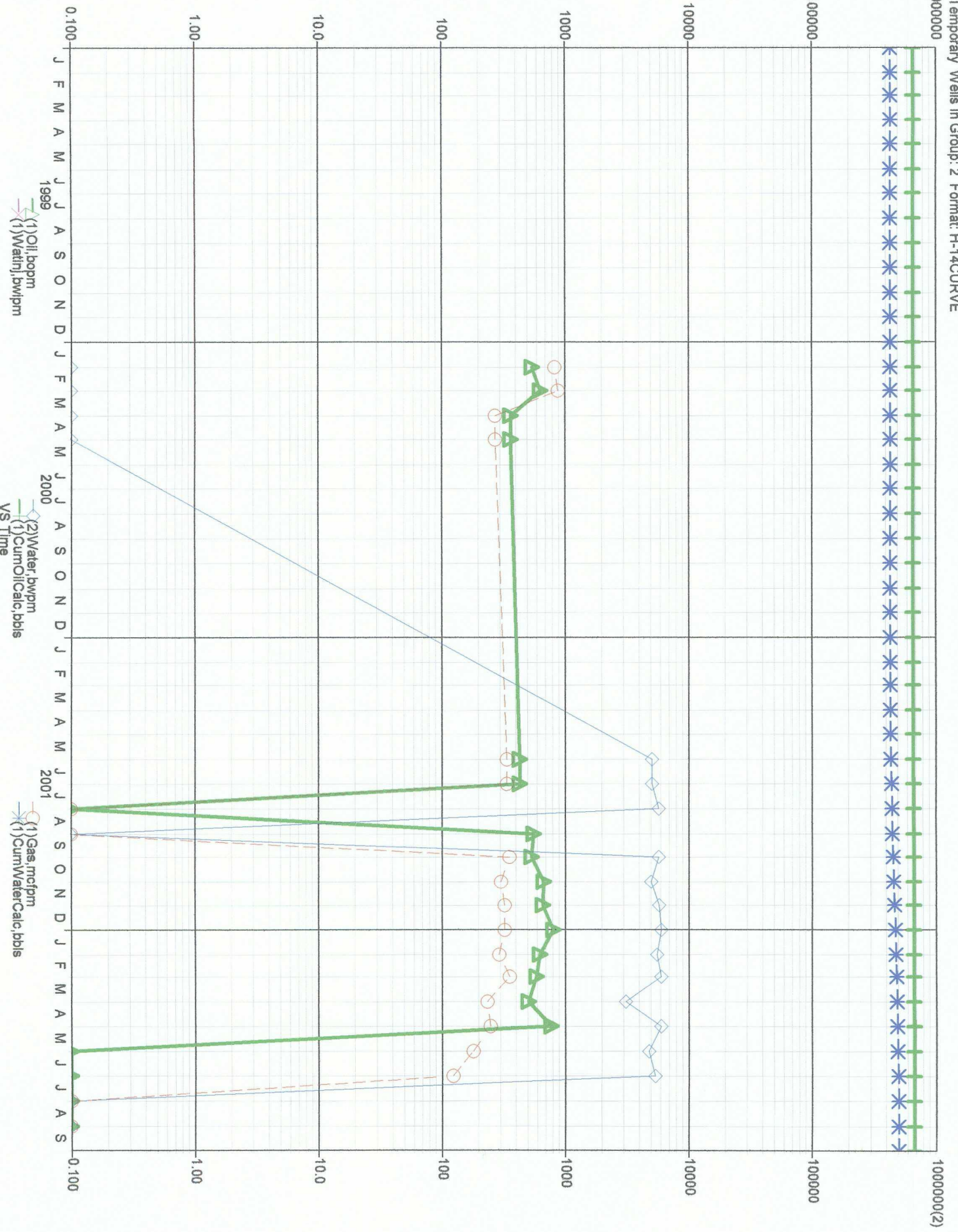
1/1/2001									
	1/1/2001	360.000	206119.000	530.000	46185.000	595.000	303839.000	0.000	0.000

Date	Date	Oil	CumOilCalc	Water	CumWaterCalc	Gas	CumGasCalc	WatInj	CumInjCalc
1/1/2001									
	2/1/2001	343.000	206462.000	506.000	46691.000	509.000	304348.000	0.000	0.000
	3/1/2001	360.000	206822.000	567.000	47258.000	533.000	304881.000	0.000	0.000
	4/1/2001	378.000	207200.000	433.000	47691.000	638.000	305519.000	0.000	0.000
	5/1/2001	486.000	207686.000	418.000	48109.000	735.000	306254.000	0.000	0.000
	6/1/2001	539.000	208225.000	377.000	48486.000	692.000	306946.000	0.000	0.000
	7/1/2001	462.000	208687.000	431.000	48917.000	748.000	307694.000	0.000	0.000
	8/1/2001	537.000	209224.000	408.000	49325.000	862.000	308556.000	0.000	0.000
	9/1/2001	526.000	209750.000	374.000	49699.000	822.000	309378.000	0.000	0.000
	10/1/2001	476.000	210226.000	406.000	50105.000	601.000	309979.000	0.000	0.000
	11/1/2001	447.000	210673.000	418.000	50523.000	348.000	310327.000	0.000	0.000
	12/1/2001	233.000	210906.000	274.000	50797.000	273.000	310600.000	0.000	0.000
Total		5147.000	2501980.000	5142.000	583786.000	7356.000	3688321.000		
1/1/2002									
	1/1/2002	184.000	211090.000	128.000	50925.000	242.000	310842.000	0.000	0.000
	2/1/2002	281.000	211371.000	418.000	51343.000	249.000	311091.000	0.000	0.000
	3/1/2002	249.000	211620.000	80.000	51423.000	162.000	311253.000	0.000	0.000
	4/1/2002	287.000	211907.000	85.000	51508.000	169.000	311422.000	0.000	0.000
	5/1/2002	296.000	212203.000	100.000	51608.000	185.000	311607.000	0.000	0.000
	6/1/2002	256.000	212459.000	110.000	51718.000	229.000	311836.000	0.000	0.000
	7/1/2002	202.000	212661.000	99.000	51817.000	0.000	311836.000	0.000	0.000
	8/1/2002	194.000	212855.000	90.000	51907.000	0.000	311836.000	0.000	0.000
Total		1949.000	1696166.000	1110.000	412249.000	1236.000	2491723.000		
Total		13870.000	9053607.000	11487.000	2007230.000	19367.000	13314561.000		

STATE A-32 #6 & #7 (OXY) LEASE PRODUCTION & INJECTION 1999-2002

NO EDIT

Group: Temporary Wells In Group: 2 Format: H-14CURVE
(1) 1000000



STATE A- 32 MONTHLY PRODUCTION AND INJECTION REPORT

Date	Date	Oil	CumOilCalc	Water	CumWaterCalc	Gas	CumGasCalc	Watinj	CumInjCalc
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1/1/1999									
	1/1/1999	0.000	1215171.000	0.000	797288.000	0.000	1301379.000	0.000	0.000
	2/1/1999	0.000	1215171.000	0.000	797288.000	0.000	1301379.000	0.000	0.000
	3/1/1999	0.000	1215171.000	0.000	797288.000	0.000	1301379.000	0.000	0.000
	4/1/1999	0.000	1215171.000	0.000	797288.000	0.000	1301379.000	0.000	0.000
	5/1/1999	0.000	1215171.000	0.000	797288.000	0.000	1301379.000	0.000	0.000
	6/1/1999	0.000	1215171.000	0.000	797288.000	0.000	1301379.000	0.000	0.000
	7/1/1999	0.000	1215171.000	0.000	797288.000	0.000	1301379.000	0.000	0.000
	8/1/1999	0.000	1215171.000	0.000	797288.000	0.000	1301379.000	0.000	0.000
	9/1/1999	0.000	1215171.000	0.000	797288.000	0.000	1301379.000	0.000	0.000
	10/1/1999	0.000	1215171.000	0.000	797288.000	0.000	1301379.000	0.000	0.000
	11/1/1999	0.000	1215171.000	0.000	797288.000	0.000	1301379.000	0.000	0.000
	12/1/1999	0.000	1215171.000	0.000	797288.000	0.000	1301379.000	0.000	0.000
Total			14582052.000		9567456.000		15616548.000		

1/1/2000									
	1/1/2000	0.000	1215171.000	0.000	797288.000	0.000	1301379.000	0.000	0.000
	2/1/2000	543.000	1215714.000	0.000	797288.000	833.000	1302212.000	0.000	0.000
	3/1/2000	637.000	1216351.000	0.000	797288.000	885.000	1303097.000	0.000	0.000
	4/1/2000	366.000	1216717.000	0.000	797288.000	273.000	1303370.000	0.000	0.000
	5/1/2000	366.000	1217083.000	0.000	797288.000	273.000	1303643.000	0.000	0.000
	6/1/2000	0.000	1217083.000	0.000	797288.000	0.000	1303643.000	0.000	0.000
	7/1/2000	0.000	1217083.000	0.000	797288.000	0.000	1303643.000	0.000	0.000
	8/1/2000	0.000	1217083.000	0.000	797288.000	0.000	1303643.000	0.000	0.000
	9/1/2000	0.000	1217083.000	0.000	797288.000	0.000	1303643.000	0.000	0.000
	10/1/2000	0.000	1217083.000	0.000	797288.000	0.000	1303643.000	0.000	0.000
	11/1/2000	0.000	1217083.000	0.000	797288.000	0.000	1303643.000	0.000	0.000
	12/1/2000	0.000	1217083.000	0.000	797288.000	0.000	1303643.000	0.000	0.000
Total		1912.000	14600617.000	0.000	9567456.000	2264.000	15639202.000		

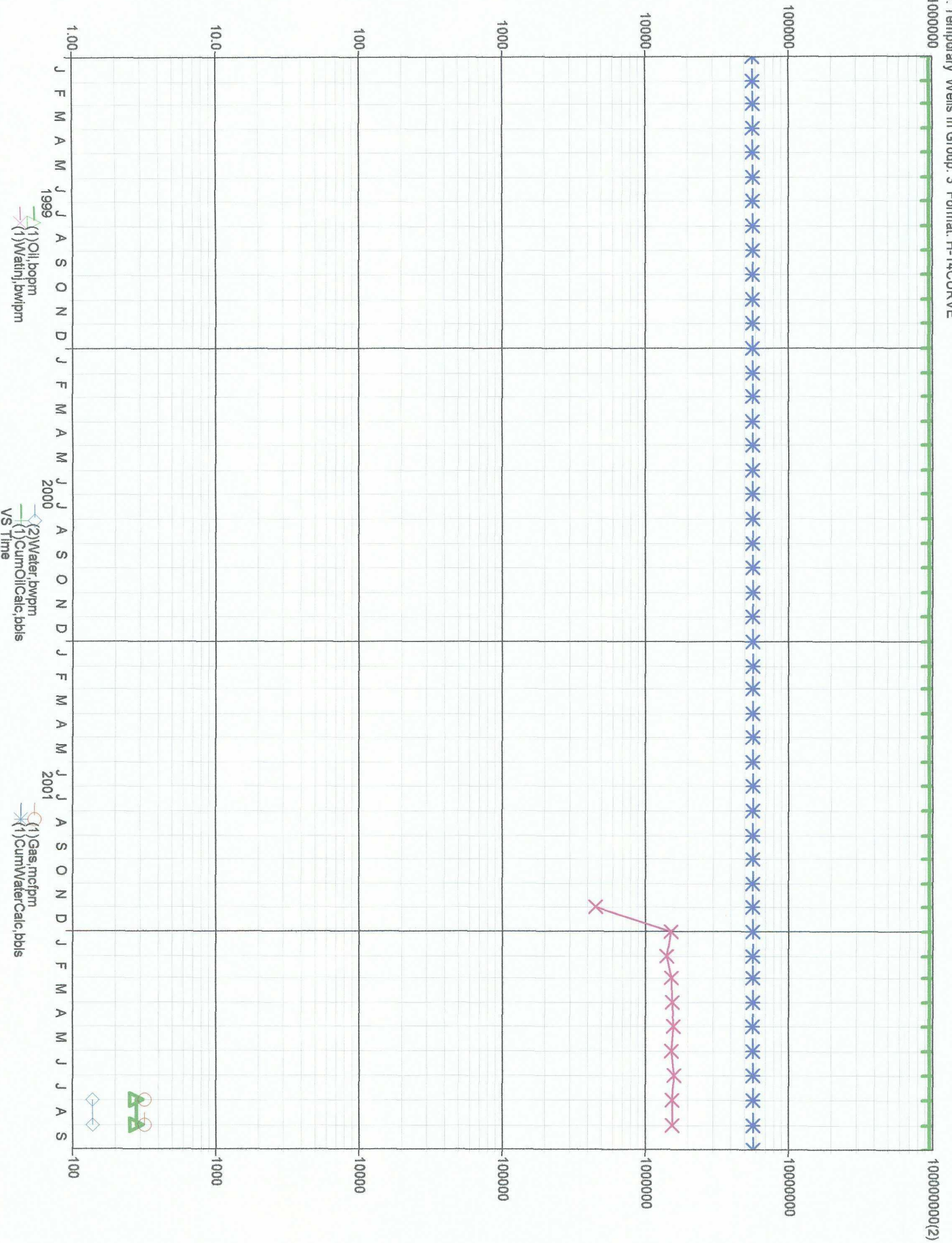
1/1/2001									
	1/1/2001	0.000	1217083.000	0.000	797288.000	0.000	1303643.000	0.000	0.000

Date	Date	Oil	CumOilCalc	Water	CumWaterCalc	Gas	CumGasCalc	Watinj	CumInjCalc
1/1/2001									
	2/1/2001	0.000	1217083.000	0.000	797288.000	0.000	1303643.000	0.000	0.000
	3/1/2001	0.000	1217083.000	0.000	797288.000	0.000	1303643.000	0.000	0.000
	4/1/2001	0.000	1217083.000	0.000	797288.000	0.000	1303643.000	0.000	0.000
	5/1/2001	0.000	1217083.000	0.000	797288.000	0.000	1303643.000	0.000	0.000
	6/1/2001	431.000	1217514.000	5068.000	802356.000	338.000	1303981.000	0.000	0.000
	7/1/2001	431.000	1217945.000	5068.000	807424.000	338.000	1304319.000	0.000	0.000
	8/1/2001	0.000	1217945.000	5735.000	813159.000	0.000	1304319.000	0.000	0.000
	9/1/2001	556.000	1218501.000	0.000	813159.000	0.000	1304319.000	0.000	0.000
	10/1/2001	535.000	1219036.000	5735.000	818894.000	353.000	1304672.000	0.000	0.000
	11/1/2001	690.000	1219726.000	6503.000	825397.000	521.000	1305193.000	0.000	0.000
	12/1/2001	684.000	1220410.000	8011.000	833408.000	1428.000	1306621.000	4639.000	4639.000
Total		3327.000	14616492.000	36120.000	9700237.000	2978.000	15651639.000	4639.000	4639.000
1/1/2002									
	1/1/2002	821.000	1221231.000	6078.000	839486.000	842.000	1307463.000	15358.000	19997.000
	2/1/2002	641.000	1221872.000	5627.000	845113.000	528.000	1307991.000	14240.000	34237.000
	3/1/2002	706.000	1222578.000	7590.000	852703.000	3378.000	1311369.000	15168.000	49405.000
	4/1/2002	591.000	1223169.000	4362.000	857065.000	2551.000	1313920.000	15185.000	64590.000
	5/1/2002	816.000	1223985.000	7414.000	864479.000	1596.000	1315516.000	15320.000	79910.000
	6/1/2002	37.000	1224022.000	6874.000	871353.000	1722.000	1317238.000	13520.000	93430.000
	7/1/2002	37.000	1224059.000	7571.000	878924.000	1718.000	1318956.000	14118.000	107548.000
	8/1/2002	0.000	1224059.000	0.000	878924.000	0.000	1318956.000	15472.000	123020.000
Total		3649.000	9784975.000	45516.000	6888047.000	12335.000	10511409.000	118381.000	572137.000
Total		8888.000	53584136.000	81636.000	35723196.000	17577.000	57418798.000	123020.000	576776.000

STATE I-29 LEASE
PRODUCTION & INJECTION 1999-2002

No Effect

Group: Temporary Wells In Group: 3 Format: H-14CURVE
(1) 1000000



STATE I-29 MONTHLY PRODUCTION AND INJECTION REPORT

Date	Date	Oil	CumOilCalc	Water	CumWaterCalc	Gas	CumGasCalc	Watinj	CumInjCalc
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1/1/1999									
	1/1/1999	0.000	960097.000	0.000	56763.000	0.000	967477.000	0.000	0.000
	2/1/1999	0.000	960097.000	0.000	56763.000	0.000	967477.000	0.000	0.000
	3/1/1999	0.000	960097.000	0.000	56763.000	0.000	967477.000	0.000	0.000
	4/1/1999	0.000	960097.000	0.000	56763.000	0.000	967477.000	0.000	0.000
	5/1/1999	0.000	960097.000	0.000	56763.000	0.000	967477.000	0.000	0.000
	6/1/1999	0.000	960097.000	0.000	56763.000	0.000	967477.000	0.000	0.000
	7/1/1999	0.000	960097.000	0.000	56763.000	0.000	967477.000	0.000	0.000
	8/1/1999	0.000	960097.000	0.000	56763.000	0.000	967477.000	0.000	0.000
	9/1/1999	0.000	960097.000	0.000	56763.000	0.000	967477.000	0.000	0.000
	10/1/1999	0.000	960097.000	0.000	56763.000	0.000	967477.000	0.000	0.000
	11/1/1999	0.000	960097.000	0.000	56763.000	0.000	967477.000	0.000	0.000
	12/1/1999	0.000	960097.000	0.000	56763.000	0.000	967477.000	0.000	0.000
Total			11521164.000		681156.000		11609724.000		

1/1/2000									
	1/1/2000	0.000	960097.000	0.000	56763.000	0.000	967477.000	0.000	0.000
	2/1/2000	0.000	960097.000	0.000	56763.000	0.000	967477.000	0.000	0.000
	3/1/2000	0.000	960097.000	0.000	56763.000	0.000	967477.000	0.000	0.000
	4/1/2000	0.000	960097.000	0.000	56763.000	0.000	967477.000	0.000	0.000
	5/1/2000	0.000	960097.000	0.000	56763.000	0.000	967477.000	0.000	0.000
	6/1/2000	0.000	960097.000	0.000	56763.000	0.000	967477.000	0.000	0.000
	7/1/2000	0.000	960097.000	0.000	56763.000	0.000	967477.000	0.000	0.000
	8/1/2000	0.000	960097.000	0.000	56763.000	0.000	967477.000	0.000	0.000
	9/1/2000	0.000	960097.000	0.000	56763.000	0.000	967477.000	0.000	0.000
	10/1/2000	0.000	960097.000	0.000	56763.000	0.000	967477.000	0.000	0.000
	11/1/2000	0.000	960097.000	0.000	56763.000	0.000	967477.000	0.000	0.000
	12/1/2000	0.000	960097.000	0.000	56763.000	0.000	967477.000	0.000	0.000
Total			11521164.000		681156.000		11609724.000		

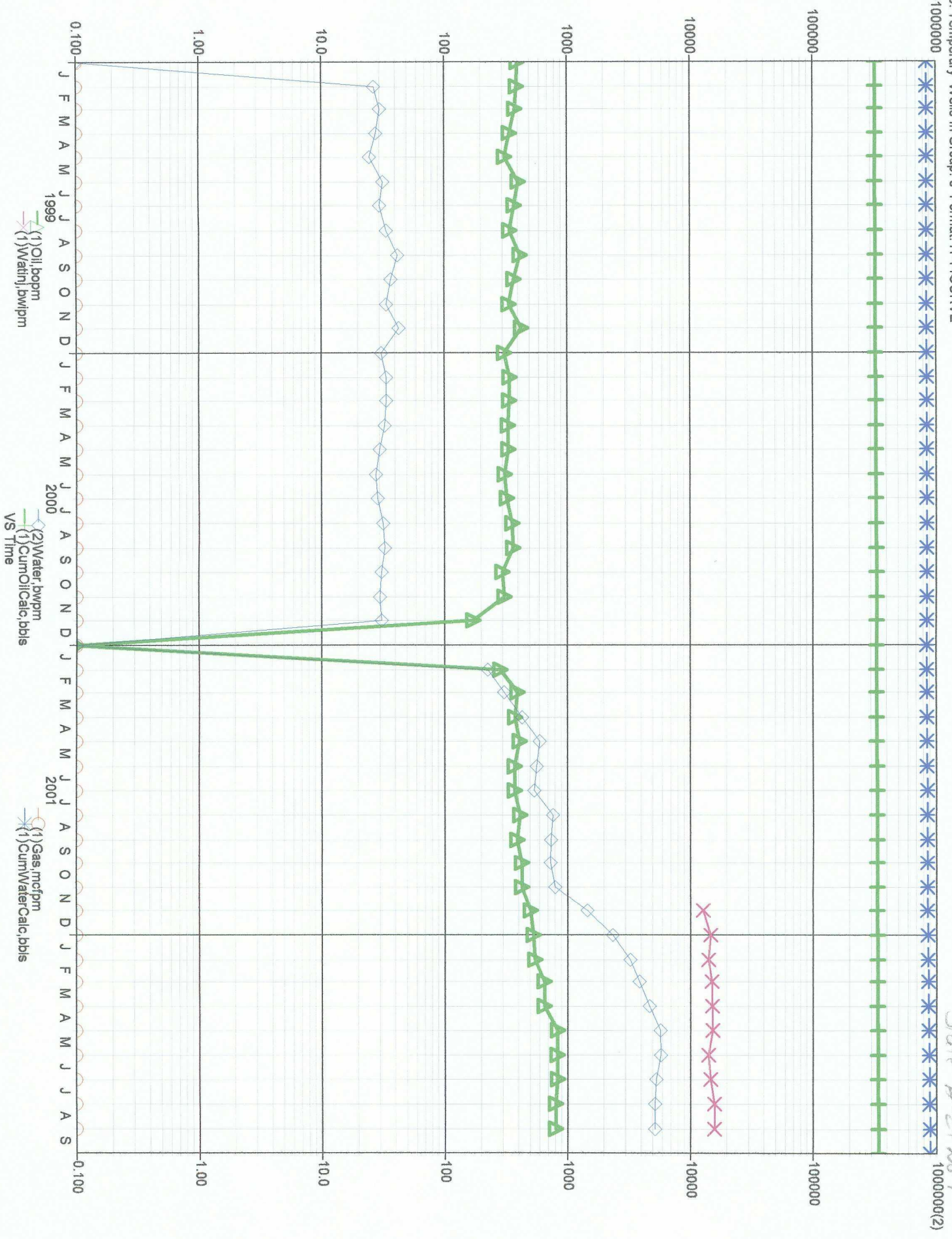
1/1/2001									
	1/1/2001	0.000	960097.000	0.000	56763.000	0.000	967477.000	0.000	0.000

Date	Date	Oil	CumOilCalc	Water	CumWaterCalc	Gas	CumGasCalc	Watinj	CumInjCalc
1/1/2001									
2/1/2001		0.000	960097.000	0.000	56763.000	0.000	967477.000	0.000	0.000
3/1/2001		0.000	960097.000	0.000	56763.000	0.000	967477.000	0.000	0.000
4/1/2001		0.000	960097.000	0.000	56763.000	0.000	967477.000	0.000	0.000
5/1/2001		0.000	960097.000	0.000	56763.000	0.000	967477.000	0.000	0.000
6/1/2001		0.000	960097.000	0.000	56763.000	0.000	967477.000	0.000	0.000
7/1/2001		0.000	960097.000	0.000	56763.000	0.000	967477.000	0.000	0.000
8/1/2001		0.000	960097.000	0.000	56763.000	0.000	967477.000	0.000	0.000
9/1/2001		0.000	960097.000	0.000	56763.000	0.000	967477.000	0.000	0.000
10/1/2001		0.000	960097.000	0.000	56763.000	0.000	967477.000	0.000	0.000
11/1/2001		0.000	960097.000	0.000	56763.000	0.000	967477.000	0.000	0.000
12/1/2001		0.000	960097.000	0.000	56763.000	0.000	967477.000	4550.000	4550.000
Total			11521164.000		681156.000		11609724.000	4550.000	4550.000
1/1/2002									
1/1/2002		0.000	960097.000	0.000	56763.000	0.000	967477.000	15231.000	19781.000
2/1/2002		0.000	960097.000	0.000	56763.000	0.000	967477.000	14253.000	34034.000
3/1/2002		0.000	960097.000	0.000	56763.000	0.000	967477.000	15310.000	49344.000
4/1/2002		0.000	960097.000	0.000	56763.000	0.000	967477.000	15525.000	64869.000
5/1/2002		0.000	960097.000	0.000	56763.000	0.000	967477.000	15833.000	80702.000
6/1/2002		0.000	960097.000	0.000	56763.000	0.000	967477.000	15308.000	96010.000
7/1/2002		0.000	960097.000	0.000	56763.000	0.000	967477.000	15941.000	111951.000
8/1/2002		2.800	960099.800	139.100	56902.100	3.200	967480.200	15490.000	127441.000
Total		2.800	7680778.800	139.100	454243.100	3.200	7739819.200	122891.000	584132.000
Total		2.800	42244270.800	139.100	2497711.100	3.200	42568991.200	127441.000	588682.000

Group: Temporary Wells In Group: 3 Format: H-14CURVE

STATE A-29 LEASE
PRODUCTION & INJECTION 1999-2002

APRIL 2002
State A-29 No. 7



STATE A-29 MONTHLY PRODUCTION AND INJECTION REPORT

Date	Date	Oil	CumOilCalc	Water	CumWaterCalc	Gas	CumGasCalc	Watinj	CumInjCalc
1/1/1999									

1/1/1999	398.000	324320.000	0.000	851639.000	0.000	351526.000	0.000	0.000
2/1/1999	392.000	324712.000	27.000	851666.000	0.000	351526.000	0.000	0.000
3/1/1999	380.000	325092.000	30.000	851696.000	0.000	351526.000	0.000	0.000
4/1/1999	344.000	325436.000	28.000	851724.000	0.000	351526.000	0.000	0.000
5/1/1999	313.000	325749.000	25.000	851749.000	0.000	351526.000	0.000	0.000
6/1/1999	404.000	326153.000	32.000	851781.000	0.000	351526.000	0.000	0.000
7/1/1999	373.000	326526.000	30.000	851811.000	0.000	351526.000	0.000	0.000
8/1/1999	343.000	326869.000	34.000	851845.000	0.000	351526.000	0.000	0.000
9/1/1999	419.000	327288.000	42.000	851887.000	0.000	351526.000	0.000	0.000
10/1/1999	370.000	327658.000	37.000	851924.000	0.000	351526.000	0.000	0.000
11/1/1999	339.000	327997.000	34.000	851958.000	0.000	351526.000	0.000	0.000
12/1/1999	426.000	328423.000	43.000	852001.000	0.000	351526.000	0.000	0.000
Total	4501.000	3916223.000	362.000	10221681.000	0.000	4218312.000		

Date	Date	Oil	CumOilCalc	Water	CumWaterCalc	Gas	CumGasCalc	Watinj	CumInjCalc
1/1/2000									
1/1/2000		310.000	328733.000	31.000	852032.000	0.000	351526.000	0.000	0.000
2/1/2000		343.000	329076.000	34.000	852066.000	0.000	351526.000	0.000	0.000
3/1/2000		340.000	329416.000	34.000	852100.000	0.000	351526.000	0.000	0.000
4/1/2000		333.000	329749.000	33.000	852133.000	0.000	351526.000	0.000	0.000
5/1/2000		336.000	330085.000	30.000	852163.000	0.000	351526.000	0.000	0.000
6/1/2000		313.000	330398.000	28.000	852191.000	0.000	351526.000	0.000	0.000
7/1/2000		325.000	330723.000	29.000	852220.000	0.000	351526.000	0.000	0.000
8/1/2000		361.000	331084.000	32.000	852252.000	0.000	351526.000	0.000	0.000
9/1/2000		366.000	331450.000	33.000	852285.000	0.000	351526.000	0.000	0.000
10/1/2000		299.000	331749.000	31.000	852316.000	0.000	351526.000	0.000	0.000
11/1/2000		310.000	332059.000	30.000	852346.000	0.000	351526.000	0.000	0.000
12/1/2000		173.000	332232.000	31.000	852377.000	0.000	351526.000	0.000	0.000
Total		3809.000	3966754.000	376.000	10226481.000	0.000	4218312.000		

Date	Oil	CumOilCalc	Water	CumWaterCalc	Gas	CumGasCalc	Watinj	CumInjCalc
1/1/2001	0.000	332232.000	0.000	852377.000	0.000	351526.000	0.000	0.000

Date	Date	Oil	CumOilCalc	Water	CumWaterCalc	Gas	CumGasCalc	WatInj	CumInjCalc
1/1/2001									
2/1/2001		287.000	332519.000	226.000	852603.000	0.000	351526.000	0.000	0.000
3/1/2001		395.000	332914.000	307.000	852910.000	0.000	351526.000	0.000	0.000
4/1/2001		376.000	333290.000	430.000	853340.000	0.000	351526.000	0.000	0.000
5/1/2001		410.000	333700.000	597.000	853937.000	0.000	351526.000	0.000	0.000
6/1/2001		375.000	334075.000	567.000	854504.000	0.000	351526.000	0.000	0.000
7/1/2001		375.000	334450.000	542.000	855046.000	0.000	351526.000	0.000	0.000
8/1/2001		415.000	334865.000	772.000	855818.000	0.000	351526.000	0.000	0.000
9/1/2001		392.000	335257.000	737.000	856555.000	0.000	351526.000	0.000	0.000
10/1/2001		426.000	335683.000	735.000	857290.000	0.000	351526.000	0.000	0.000
11/1/2001		427.000	336110.000	802.000	858092.000	0.000	351526.000	0.000	0.000
12/1/2001		502.000	336612.000	1464.000	859556.000	0.000	351526.000	12756.000	12756.000
Total		4380.000	4011707.000	7179.000	10262028.000	0.000	4218312.000	12756.000	12756.000
1/1/2002									
1/1/2002		533.000	337145.000	2359.000	861915.000	0.000	351526.000	14778.000	27534.000
2/1/2002		551.000	337696.000	3288.000	865203.000	0.000	351526.000	14127.000	41661.000
3/1/2002		651.000	338347.000	3886.000	869089.000	0.000	351526.000	15036.000	56697.000
4/1/2002		655.000	339002.000	4691.000	873780.000	0.000	351526.000	15242.000	71939.000
5/1/2002		838.000	339840.000	5759.000	879539.000	0.000	351526.000	15367.000	87306.000
6/1/2002		835.000	340675.000	5821.000	885360.000	0.000	351526.000	14152.000	101458.000
7/1/2002		840.000	341515.000	5322.000	890682.000	0.000	351526.000	14791.000	116249.000
8/1/2002		804.000	342319.000	5185.000	895867.000	0.000	351526.000	15843.000	132092.000
Total		5707.000	2716539.000	36311.000	7021435.000	0.000	2812208.000	119336.000	634936.000
Total		18397.000	14611223.000	44228.000	37731625.000	0.000	15467144.000	132092.000	647692.000



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

BETTY RIVERA

Cabinet Secretary

Lori Wrotenberg

Director

Oil Conservation Division

September 19, 2002

Texland Petroleum, Inc.
777 Main Street
Suite 3200
Fort Worth, Texas 76102

Attention: Ms. Anne Burdette

CERTIFICATION OF ENHANCED OIL RECOVERY PROJECT FOR RECOVERED OIL TAX RATE

The New Mexico Oil Conservation Division hereby certifies that the following Enhanced Oil Recovery Project has been approved by the Division as a secondary recovery project pursuant to the provisions of the "*New Mexico Enhanced Oil Recovery Act*," Sections 7-29A-1 through 7-29A-5, NMSA 1978. In order to qualify for the recovered oil tax rate, you must apply for certification of positive production response within five years from the date of this certification. Only production from that portion of the project area identified herein which is actually developed for enhanced recovery will qualify for the reduced tax rate.

If operation of this project is terminated for any reason, the operator of the project must notify this Division and the Secretary of the Taxation and Revenue Department not later than the thirtieth day after termination.

NAME OF PROJECT:	Hobbs Upper Blinbry Cooperative Waterflood Project
OCD ORDER NO.	R-11638
OPERATOR:	Texland Petroleum, Inc.
ADDRESS:	777 Main Street, Suite 3200 Fort Worth, Texas 76102
CERTIFICATION DATE:	September 19, 2002

EOR Project Certification
Hobbs Upper Blinbry Cooperative
Waterflood Project

PROJECT AREA:

Township 18 South, Range 38 East, NMPM, Lea County, New Mexico

Section 28: SW/4
Section 29: SW/4, S/2 SE/4, NW/4 SE/4, SW/4 NW/4
Section 30: SE/4, S/2 NE/4
Section 31: NE/4 NE/4
Section 32: N/2, SW/4
Section 33: NW/4, N/2 NE/4, SE/4 NE/4, NE/4 SE/4

APPROVED BY:

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Lori Wrotenbery by Dec

LORI WROTENBERY
DIRECTOR

Xc: File-EOR 56
Mr. T. Glenn Ellington, Secretary
New Mexico Taxation and Revenue Department

TEXLAND PETROLEUM, INC. OIL CONSERVATION DIV.
EXPLORATION AND PRODUCTION
777 MAIN STREET, SUITE 3200
FORT WORTH, TEXAS 76102

02 AUG 30 PM 1:13

AREA 817 336-2751

Catanach

August 28, 2002

State of New Mexico
Energy, Minerals and Natural Resources Dept.
Oil Conversation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

RE: Oil Conservation Division Case No. 12666, Order No. R-11638:
Application of Texland Petroleum-Hobbs, L.L.C. for approval of a
waterflood project for its Hobbs Upper Blinbry Pool Cooperative
Waterflood Area and Qualification of said Project for the
Recovered Oil Tax Rate Pursuant to the Enhanced Oil Recovery
Act, Lea County, New Mexico

Dear Ladies & Gentlemen:

Texland Petroleum-Hobbs, L.L.C. would like to state that water injection for the
above referenced waterflood project began on November 26, 2001, which has been
previously reported in the completion reports filed for the injection wells.

Texland will file application for a positive production response certification with
the OCD after response occurs.

If you have any question or further information is needed, please do not hesitate
to contact me at (817) 336-2751.

Sincerely,



Ann Burdette
Regulatory Analyst

**STATE OF NEW MEXICO
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:**

**CASE NO. 12666
ORDER NO. R-11638**

**APPLICATION OF TEXLAND PETROLEUM-HOBBS, L.L.C. FOR APPROVAL
OF A WATERFLOOD PROJECT FOR ITS HOBBS UPPER BLINEBRY POOL
COOPERATIVE WATERFLOOD AREA AND QUALIFICATION OF SAID
PROJECT FOR THE RECOVERED OIL TAX RATE PURSUANT TO THE
ENHANCED OIL RECOVERY ACT, LEA COUNTY, NEW MEXICO.**

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on June 14, 2001, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 20th day of August, 2001, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner,

FINDS THAT:

(1) Due public notice has been given and the Division has jurisdiction of this case and its subject matter.

(2) The applicant, Texland Petroleum-Hobbs, L.L.C. ("Texland"), seeks authority to institute a waterflood project within its Hobbs Upper Blinebry Pool Cooperative Waterflood Area ("Project Area"), described as follows, by the injection of water into the Hobbs-Upper Blinebry Pool through fifteen initial injection wells, all as shown on Exhibit "A" attached to this order:

Township 18 South, Range 38 East, NMPM, Lea County, New Mexico

Section 28: SW/4

Section 29: SW/4, S/2 SE/4, NW/4 SE/4, SW/4 NW/4,
S/2 NW/4 NW/4

Section 30: SE/4, S/2 NE/4

Section 31: NE/4 NE/4

Section 32: N/2, SW/4

Section 33: NW/4, N/2 NE/4, SE/4 NE/4, NE/4 SE/4

(3) The project area comprises 1,580 acres and encompasses twelve separate state, federal and fee leases, described as follows:

<u>Lease Name</u>	<u>Lease Type</u>	<u>Lease Description</u>
H. D. McKinley	Fee	Section 30: S/2 NE/4
Bowers "A"	Federal	Section 30: SE/4 Section 29: W/2 SW/4, SW/4 NW/4, S/2 NW/4 NW/4
State "A-29"	State	Section 29: E/2 SW/4, NW/4 SE/4
State "I-29"	State	Section 29: S/2 SE/4
W. D. Grimes	Fee	Section 28: SW/4
W. D. Grimes NCT-B	Fee	Section 33: NE/4 SE/4, E/2 NE/4 NW/4 NE/4
State "B"	State	Section 33: N/2 NW/4
State "G"	State	Section 33: S/2 NW/4
State "A"	State	Section 32: N/2 NE/4
Shell State "A"	State	Section 32: S/2 NE/4
W. D. Grimes NCT-A	Fee	Section 32: W/2
Fowler	Fee	Section 31: NE/4 NE/4

All in Township 18 South, Range 38 East, NMPM

(4) With the exception of the State "A" Lease, which is currently operated by Apache Corporation ("Apache"), and the Shell State "A" Lease, which is currently operated by Occidental Permian Limited Partnership ("Occidental"), all of the leases within the project area are currently operated by the applicant.

(5) The applicant testified that:

- (a) 100% of the working interest in the State "A-29", State "I-29", W. D. Grimes, W. D. Grimes NCT-B, State "B", State "G", W. D. Grimes NCT-A, H. D. McKinley, Bowers "A" and Fowler Leases is owned by Texland;
- (b) 100% of the working interest in the State "A" Lease is owned by Apache, and 100% of the working

interest in the Shell State "A" Lease is owned by Occidental; and

- (c) there are over 300 royalty and overriding royalty interest owners in various leases within the proposed project area.

(6) The proposed project area contains a 20-acre tract that comprises the S/2 NW/4 NW/4 of Section 29. The applicant's evidence shows that there is a plugged and abandoned well on this tract. The applicant's proposed operations do not include utilizing this plugged and abandoned well as either a producing or injection well within the proposed waterflood project; therefore, this 20-acre tract should be excluded from the proposed project area.

(7) The proposed project area encompasses a portion of the Hobbs Upper-Blinebry Pool.

(8) Within the project area, the applicant proposes to:

- a) drill fifteen new injection wells in order to establish a 40-acre five-spot injection pattern;
- b) initially utilize eight (8) producing wells located in Sections 29, 30, 32 and 33, and probably drill additional producing wells subsequent to achieving waterflood response;
- c) pursuant to an agreement with Apache and Occidental, operate the State "A" Well No. 9, a lease line injection well that will be located on Apache's State "A" Lease at a location 215 feet from the North line and 150 feet from the East line (Unit A) of Section 32;
- d) pursuant to an agreement with Apache and Occidental, operate the State "A" Well No. 8, a lease line injection well that will be located on Apache's State "A" Lease at a location 1250 feet from the North and East lines (Unit A) of Section 32; and

- e) maintain separate production facilities to allow for the separate measurement and storage of production from each of the producing leases within the project area.

(9) The applicant further testified that all production and revenue from the project area will be separately maintained and paid on a lease basis.

(10) The wells within the project area are in an advanced state of depletion. Average production from the eight (8) existing producing wells is approximately 20 barrels of oil per day.

(11) The geologic evidence demonstrates that the Upper-Blinebry formation is continuous and correlatable across the project area.

(12) Texland estimates that initial capital costs to implement waterflood operations are approximately \$5.8 million dollars. Applicant further testified that drilling additional producing wells within the project area will add an additional \$4.0 million dollars to the project cost.

(13) Texland estimates that implementing waterflood operations within the project area should result in the recovery of an additional 4.8 million barrels of oil that would otherwise not be recovered, thereby preventing waste.

(14) Approval of the proposed cooperative waterflood project should result in the recovery of additional hydrocarbons from the Upper Blinebry formation within the project area that may otherwise not be recovered, thereby preventing waste, and will not violate correlative rights.

(15) There are three (3) wells within the "area of review," described as follows, that are not constructed adequately to preclude injected fluid from the Upper Blinebry formation from migrating into and having possible detrimental effects on the Hobbs-Drinkard Pool:

<u>Operator & Well Name</u>	<u>API Number</u>	<u>Well Location</u>
Occidental Hobbs Gb/SA Unit No. 412	30-025-23384	Unit A, Section 30, T-18S, R38E
Occidental Hobbs Gb/SA Unit No. 112	30-025-23207	Unit D, Section 33, T-18S, R-38E

Texaco Exploration &
Production Inc.

H. D. McKinley No. 9

30-025-23221

Unit G, Section 30, T-18S, R-38E

(16) The Hobbs Gb/SA Unit Wells No. 412 and 112 are currently completed as producing wells within the Hobbs Grayburg-San Andres Pool. Both of these wells are perforated in the Hobbs-Upper Blinebry and Hobbs-Drinkard Pools, and both lack a cast iron bridge plug (CIBP) or other mechanical device that would provide separation between these two pools. The H. D. McKinley Well No. 9 is an inactive producing well in the Hobbs-Upper Blinebry and Hobbs-Drinkard Pools. This well currently has a CIBP set above the Hobbs-Upper Blinebry Pool, but is not equipped with a CIBP or other mechanical device that would provide separation between the Hobbs-Upper Blinebry and Hobbs-Drinkard Pools in the wellbore.

(17) Prior to commencing injection operations into any proposed injection well located within one-half mile of the Hobbs Gb/SA Unit Wells No. 412 and 112, or the H. D. McKinley Well No. 9, Texland should be required to consult with the Hobbs District Office of the Division, Occidental and Texaco Exploration and Production Inc., to devise and execute a plan whereby remedial work will be conducted on these wellbores in order to effectively isolate the Hobbs-Upper Blinebry Pool from the Hobbs-Drinkard Pool.

(18) The operator should take all steps necessary to ensure that the injected water enters only the proposed injection interval and is not permitted to escape to other formations or onto the surface from injection, production, or plugged and abandoned wells.

(19) Injection should be accomplished through 2 3/8-inch internally plastic-lined tubing installed in a packer set within 100 feet of the uppermost injection perforation in each well. The casing-tubing annulus should be filled with an inert fluid and a gauge or approved leak-detection device should be attached to the annulus in order to determine leakage in the casing, tubing, or packer.

(20) The injection wells or pressurization system should be equipped with a pressure control device or acceptable substitute that will limit the surface injection pressure to no more than 1140 psi.

(21) Prior to commencing injection operations, the casing in each well should be pressure tested throughout the interval from the surface down to the proposed packer setting depth to assure the integrity of such casing.

(22) The operator should give advance notice to the supervisor of the Division's Hobbs District Office of the date and time (i) injection equipment will be installed, (ii) the mechanical integrity pressure tests will be conducted on the proposed injection wells, and (iii) remedial work will be conducted on the Hobbs Gb/SA Unit Wells No. 112 and 412 and the H. D. McKinley Well No. 9, so these operations may be witnessed.

(23) The operator should immediately notify the supervisor of the Division's Hobbs District Office of the failure of the tubing, casing or packer in any of the injection wells, or the leakage of water, oil or gas from or around any producing or plugged and abandoned well within the project area, and should take all steps as may be timely and necessary to correct such failure or leakage.

(24) The proposed cooperative waterflood project should be approved and the project should be governed by Division Rules No. 701 through 708.

(25) The applicant seeks to qualify the proposed waterflood project as an "Enhanced Oil Recovery Project" pursuant to the "Enhanced Oil Recovery Act" (NMSA 1978 Sections 7-29A-1 through 7-29A-5).

(26) The evidence presented demonstrates that the proposed waterflood project meets all the criteria for approval.

(27) The approved project area should initially comprise the entire Hobbs Upper Blinbry Cooperative Waterflood Area; provided, however, the "project area" and/or the producing wells eligible for the enhanced oil recovery (EOR) tax rate may be contracted and reduced based upon the evidence presented by the applicant in its demonstration of a positive production response.

(28) To be eligible for the EOR tax rate, the operator should advise the Division of the date and time water injection commences within the waterflood project. At that time, the Division will certify the project to the New Mexico Taxation and Revenue Department.

(29) At such time as a positive production response occurs, and within five years from the date the project was certified to the New Mexico Taxation and Revenue Department, the applicant must apply to the Division for certification of a positive production response. This application shall identify the area benefiting from enhanced oil recovery operations and the specific wells eligible for the EOR tax rate. The Division may review the application administratively or set it for hearing. Based upon the evidence presented, the Division will certify to the New Mexico Taxation and Revenue Department those wells that are eligible for the EOR tax rate.

(30) The injection authority granted herein for the wells shown on Exhibit "A" should terminate one year after the date of this order if the operator has not commenced injection operations into the wells; provided, however, the Division, upon written request by the operator, may grant an extension for good cause.

IT IS THEREFORE ORDERED THAT:

(1) Texland Petroleum-Hobbs L.L.C. is hereby authorized to institute a cooperative waterflood project within its Hobbs Upper Blinbry Pool Cooperative Waterflood Area, described as follows, by the injection of water into the Hobbs-Upper Blinbry Pool through fifteen initial injection wells, all as shown on Exhibit "A":

Township 18 South, Range 38 East, NMPM, Lea County, New Mexico

Section 28: SW/4
Section 29: SW/4, S/2 SE/4, NW/4 SE/4, SW/4 NW/4,
Section 30: SE/4, S/2 NE/4
Section 31: NE/4 NE/4
Section 32: N/2, SW/4
Section 33: NW/4, N/2 NE/4, SE/4 NE/4, NE/4 SE/4

(2) The applicant's request to include a 20-acre tract comprising the S/2 NW/4 NW/4 of Section 29, Township 18 South, Range 38 East, NMPM, within the proposed project area is hereby denied.

(3) The operator shall take all steps necessary to ensure that the injected water enters only the proposed injection interval and is not permitted to escape to other formations or onto the surface from injection, production, or plugged and abandoned wells.

(4) Injection shall be accomplished through 2 3/8-inch internally plastic-lined tubing installed in a packer set within 100 feet of the uppermost injection perforation in each well. The casing-tubing annulus shall be filled with an inert fluid and a gauge or approved leak-detection device shall be attached to the annulus in order to determine leakage in the casing, tubing, or packer.

(5) The injection wells or pressurization system shall be equipped with a pressure control device or acceptable substitute that will limit the surface injection pressure to no more than 1140 psi.

(6) The Division Director may administratively authorize a pressure limitation in excess of the above upon a showing by the operator that such higher pressure will not result in the fracturing of the injection formation or confining strata.

(7) Prior to commencing injection operations, the casing in each well shall be pressure tested throughout the interval from the surface down to the proposed packer setting depth to assure the integrity of such casing.

(8) Prior to commencing injection operations into any proposed injection well located within one-half mile of the Hobbs Gb/SA Unit Wells No. 412 and 112, or the H. D. McKinley Well No. 9, as described in Finding No. (15), the applicant shall consult with the Hobbs District Office of the Division, Occidental and Texaco Exploration and Production Inc., to devise and execute a plan whereby remedial work will be conducted on these wellbores in order to effectively isolate the Hobbs-Upper Blinbry Pool from the Hobbs-Drinkard Pool.

(9) The operator shall give advance notice to the supervisor of the Division's Hobbs District Office of the date and time (i) injection equipment will be installed, (ii) the mechanical integrity pressure tests will be conducted on the proposed injection wells, and (iii) remedial work will be conducted on the Hobbs Gb/SA Unit Wells No. 112 and 412 and the H. D. McKinley Well No. 9, so these operations may be witnessed.

(10) The operator shall immediately notify the supervisor of the Division's Hobbs District Office of the failure of the tubing, casing or packer in any of the injection wells, or the leakage of water, oil or gas from or around any producing or plugged and abandoned well within the project area, and shall take all steps as may be timely and necessary to correct such failure or leakage.

(11) The waterflood project is hereby designated the Hobbs Upper Blinbry Cooperative Waterflood Project, and the applicant shall conduct injection operations in accordance with Division Rules No. 701 through 708, and shall submit monthly progress reports in accordance with Division Rules No. 706 and 1115.

(12) The Hobbs Upper Blinbry Cooperative Waterflood Project is hereby certified as an "Enhanced Oil Recovery Project." The project area shall initially comprise the entire Hobbs Upper Blinbry Cooperative Waterflood Area; provided, however, the "project area" and/or the producing wells eligible for the enhanced oil recovery (EOR) tax rate may be contracted and reduced based upon the evidence presented by the applicant in its demonstration of a positive production response.

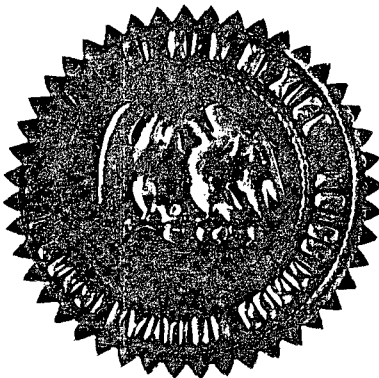
(13) To be eligible for the EOR tax rate, the operator shall advise the Division of the date and time water injection commences within the waterflood project. At that time, the Division will certify the project to the New Mexico Taxation and Revenue Department.

(14) At such time as a positive production response occurs, and within five years from the date the project was certified to the New Mexico Taxation and Revenue Department, the applicant must apply to the Division for certification of a positive production response. This application shall identify the area benefiting from enhanced oil recovery operations and the specific wells eligible for the EOR tax rate. The Division may review the application administratively or set it for hearing. Based upon the evidence presented, the Division will certify to the New Mexico Taxation and Revenue Department those wells that are eligible for the EOR tax rate.

(15) The injection authority granted herein for each well shown on Exhibit "A" shall terminate one year after the date of this order if the operator has not commenced injection operations into the well; provided, however, the Division, upon written request by the operator, may grant an extension for good cause.

(16) Jurisdiction is hereby retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



SEAL

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Lori Wrotenberg
LORI WROTENBERY
Director

Exhibit "A"
Division Order No. R-11638
Hobbs Upper Blinbry Cooperative Waterflood Project
Approved Injection Wells

Well Name & Number	API Number	Well Location	Injection Interval	Packer Depth
State "A" No. 9	N/A	215' FNL & 150' FEL, Unit A, Section 32, T-18S, R-38E	5700'-6100'	5,600'
Bowers "A" Federal No. 41	N/A	1310' FSL & 1400' FEL, Unit O, Section 30, T-18S, R-38E	5,700'-6,100'	5,600'
State "A-29" No. 10	N/A	110' FSL & 1490' FWL, Unit N, Section 29, T-18S, R-38E	5,700'-6,100'	5,600'
State "A" No. 8	N/A	1250' FNL & 1250' FEL, Unit A, Section 32, T-18S, R-38E	5,700'-6,100'	5,600'
State "I-29" No. 9	N/A	1080' FSL & 1300' FEL, Unit P, Section 29, T-18S, R-38E	5,700'-6,100'	5,600'
W. D. Grimes NCT-A No. 22	N/A	1300' FNL & 2560' FWL, Unit C, Section 32, T-18S, R-38E	5,700'-6,100'	5,600'
W. D. Grimes NCT-A No. 24	N/A	150' FNL & 290' FWL, Unit D, Section 32, T-18S, R-38E	5,700'-6,100'	5,600'
Bowers "A" Federal No. 40	N/A	2440' FNL & 195' FWL, Unit E, Section 29, T-18S, R-38E	5,700'-6,100'	5,600'
W. D. Grimes NCT-A No. 25	N/A	140' FNL & 2550' FWL, Unit C, Section 32, T-18S, R-38E	5,700'-6,100'	5,600'
State "I-29" No. 7	N/A	140' FSL & 1200' FEL, Unit P, Section 29, T-18S, R-38E	5,700'-6,100'	5,600'
W. D. Grimes NCT-A No. 21	N/A	1090' FNL & 1370' FWL, Unit C, Section 32, T-18S, R-38E	5,700'-6,100'	5,600'
W. D. Grimes NCT-A No. 23	N/A	2370' FNL & 2325' FWL, Unit F, Section 32, T-18S, R-38E	5,700'-6,100'	5,600'
Bowers "A" Federal No. 42	N/A	1290' FSL & 170' FWL, Unit M, Section 29, T-18S, R-38E	5,700'-6,100'	5,600'
Bowers "A" Federal No. 43	N/A	1378' FSL & 1155' FWL, Unit L, Section 29, T-18S, R-38E	5,700'-6,100'	5,600'
Bowers "A" Federal No. 39	N/A	2505' FSL & 1415' FEL, Unit J, Section 30, T-18S, R-38E	5,700'-6,100'	5,600'

**STATE OF NEW MEXICO
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:**

**CASE NO. 12666
ORDER NO. R-11638-A**

**APPLICATION OF TEXLAND PETROLEUM-HOBBS, L.L.C. FOR APPROVAL
OF A WATERFLOOD PROJECT FOR ITS HOBBS UPPER BLINEBRY POOL
COOPERATIVE WATERFLOOD AREA AND QUALIFICATION OF SAID
PROJECT FOR THE RECOVERED OIL TAX RATE PURSUANT TO THE
ENHANCED OIL RECOVERY ACT, LEA COUNTY, NEW MEXICO.**

AMENDED ORDER

BY THE DIVISION:

It appearing to the New Mexico Oil Conservation Division ("Division") that Order No. R-11638, dated August 20, 2001, does not correctly state the intended order of the Division;

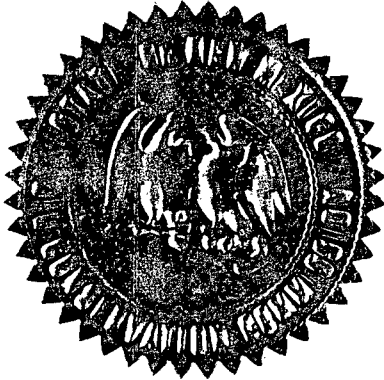
IT IS THEREFORE ORDERED THAT:

(1) All references within Order No. R-11638 to the Occidental Hobbs Gb/SA Unit Well No. 112 (**API No. 30-025-23207**) located in Unit D of Section 33, Township 18 South, Range 38 East, NMPM, Lea County, New Mexico, as found in Findings No. 15, 16, 17 and 22, and Ordering Paragraphs No. 8 and 9, are hereby amended to read:

Occidental Hobbs Gb/SA Unit Well No. 114.

(2) The corrections set forth in this order shall be entered retroactively as of August 20, 2001.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



SEAL

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

Lori Wrotenbery
LORI WROTENBERY
Director