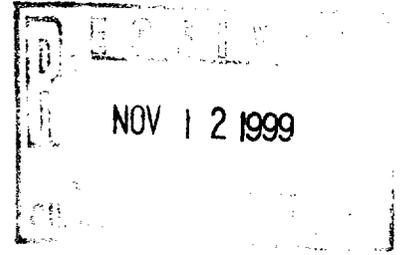


PMX 11/29/99



November 9, 1999



State of New Mexico
Energy, Minerals & Natural Resources Department
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

RE: Expansion of Pressure Maintenance Project
North Hobbs (Grayburg/San Andres) Unit
Hobbs; Grayburg – San Andres Pool
Well No. 432
Letter I, Section 24, T-18-S, R-37-E
Lea County, NM

Gentlemen:

Altura Energy LTD respectfully requests administrative approval for expansion of the subject pressure maintenance project by converting North Hobbs (G/SA) Unit Well No. 432 from production to water injection. Administrative Order No. R-6199 granted November 30, 1979, authorized Shell Western E&P Inc. (Altura's predecessor) to conduct the North Hobbs (G/SA) Unit pressure maintenance project within the Hobbs; Grayburg – San Andres Pool.

The following data is submitted in support of this request:

- Form C-108 with miscellaneous data attached
- Form C-102
- A map reflecting the location of the proposed injection well (No. 432). The map identifies all wells located within a two-mile radius of the proposed injector and has a one-half mile radius circle drawn around the proposed injection well which identifies the well's Area of Review.
- An injection well data sheet
- A tabulation of data on all wells of public record within the well's Area of Review
- A list of Offset Operators and Surface Owners (these parties have been notified of this application by certified mail)



- An Affidavit of Publication and copy of the legal advertisement that was published in the county in which the well is located.

Your favorable consideration of our request will be appreciated. If you have any questions of a technical nature, please call David Nelson at (505) 397-8211. Otherwise, please call me at (281) 552-1158.

Very truly yours,

Mark Stephens

Mark Stephens
Business Analyst (SG)

CC: Oil Conservation Division
Hobbs District Office
P.O. Box 1980
Hobbs, NM 88241

State of New Mexico
Commissioner of Public Lands
P.O. Box 1148
Santa Fe, NM 87504-1148

Offset Operators (see attached list)

Surface Owners (see attached list)

APPLICATION FOR AUTHORIZATION TO INJECT

- ✓ I. PURPOSE: _____ Secondary Recovery Pressure Maintenance _____ Disposal _____ Storage
Application qualifies for administrative approval? Yes _____ No
- ✓ II. OPERATOR: Altura Energy LTD
ADDRESS: P.O. Box 4294, Houston, TX 77210-4294
CONTACT PARTY: Mark Stephens, Rm. 338-B, WL2 PHONE: (281) 552-1158
- ✓ III. WELL DATA: Complete the data required on the reverse side of this form for each well proposed for injection.
Additional sheets may be attached if necessary.
- ✓ IV. Is this an expansion of an existing project? Yes _____ No
If yes, give the Division order number authorizing the project: R-6199 (11/30/79)
- ✓ V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.
- ✓ VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.
- ✓ VII. Attach data on the proposed operation, including:
1. Proposed average and maximum daily rate and volume of fluids to be injected;
 2. Whether the system is open or closed;
 3. Proposed average and maximum injection pressure;
 4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and,
 5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).
- *VIII. Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.
- ✓ IX. Describe the proposed stimulation program, if any.
- *X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted).
- ✓ XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.
- ✓ XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.
- ✓ XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.
- ✓ XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.

NAME: Mark Stephens TITLE: Business Analyst (SG)

SIGNATURE: Mark Stephens DATE: 11/5/99

* If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted. Please show the date and circumstances of the earlier submittal: Hearing October 3, 1979; Case No. 6653, Order No. R-6199

DISTRIBUTION: Original and one copy to Santa Fe with one copy to the appropriate District Office

III. WELL DATA

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

- (1) Lease name; Well No.; Location by Section, Township and Range; and footage location within the section.
- (2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement, and how such top was determined.
- (3) A description of the tubing to be used including its size, lining material, and setting depth.
- (4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

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

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

- (1) The name of the injection formation and, if applicable, the field or pool name.
- (2) The injection interval and whether it is perforated or open-hole.
- (3) State if the well was drilled for injection or, if not, the original purpose of the well.
- (4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.
- (5) Give the depth to and the name of the next higher and next lower oil or gas zone in the area of the well, if any.

XIV. PROOF OF NOTICE

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

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

- (1) The name, address, phone number, and contact party for the applicant;
- (2) The intended purpose of the injection well; with the exact location of single wells or the Section, Township, and Range location of multiple wells;
- (3) The formation name and depth with expected maximum injection rates and pressures; and,
- (4) A notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, 2040 South Pacheco, Santa Fe, New Mexico 87505, within 15 days.

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

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

Attachment To Form C-108
Miscellaneous Data

North Hobbs (Grayburg/San Andres) Unit
Well No. 432
Letter I, Section 24, T-18-S, R-37-E
Lea County, New Mexico

III. Well Data

- B.(5) Next higher oil zone -- Grayburg @ +/- 3700'
- Next lower oil zone -- Glorieta @ +/- 5300'

VII. Proposed Operation

1. Average Injection Rate 1500 BWPD
Maximum Injection Rate 4000 BWPD
2. Closed Injection System
3. Average Injection Pressure 500 PSIG
Maximum Injection Pressure 805 PSIG (approx.)
(will not exceed 0.2 psi/ft. to top perforation)
4. Source Water – San Andres Produced Water
(Champion Technologies, Inc. analysis attached)

IX. Stimulation Program

Acid treatment of unitized perforations will be performed during conversion work

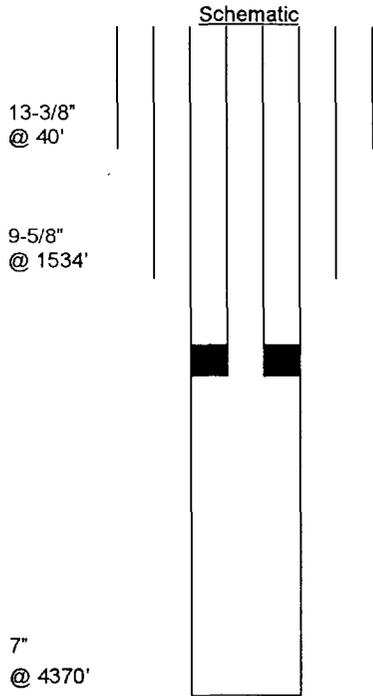
XI. Fresh Water Sample Analysis

(Laboratory Services, Inc. analysis attached – 2 ea.)

- XII. Altura Energy LTD affirms that available geologic and engineering data has been examined resulting in the finding of no evidence of open faults or any other hydrologic connection between the disposal zone and any underground source of drinking water.

INJECTION WELL DATA SHEET

Operator Altura Energy LTD.		Lease North Hobbs G/SA Unit			County Lea
Well No. 24-432	Footage Location 2480 FSL & 1280 FEL	Section 24	Township 18-S	Range 37-E	Unit Letter I



<u>Surface Casing</u>		<u>Tubular Data</u>	
Size	<u>13-3/8</u>	Cemented with	<u>400</u> sxs.
TOC	<u>Surf</u>	Determined by	<u>Circ.</u>
Hole size _____			
<u>Intermediate Casing</u>			
Size	<u>9-5/8</u>	Cemented with	<u>425</u> sxs.
TOC	<u>Surf</u>	Determined by	<u>Circ.</u>
Hole size _____			
<u>Long string Casing</u>			
Size	<u>7"</u>	Cemented with	<u>550</u> sxs.
TOC	<u>Surf</u>	Determined by	<u>Circ.</u>
Hole size _____			
Total depth	<u>4370'</u>		
<u>Injection interval</u>			
	<u>4000</u>	feet to	<u>4350</u> feet
<u>Completion type</u>		<u>Perforations</u>	

Tubing size 2-7/8" lined with Fiberglass Epoxy set in a
Giberson Uni VI packer at ±3950 feet
 (brand and model)

Other Data

- Name of the injection formation San Andres
- Name of field or Pool Hobbs (Grayburg/San Andres) Pool
- Is this a new well drilled for injection? Yes No
 If no, for what purpose was the well originally drilled? San Andres producer
- Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail (sacks of cement or bridge plug(s) used)
None
- Give the depth to and name of any overlying and/or underlying oil and gas zones (pools) in this area.
Grayburg - 3700, Glorieta - 5300



P.O. BOX 2187
HOBBS, NEW MEXICO 88240

Saturation Index Calculations
Champion Technologies, Inc.
(Based on the Tomson-Oddo Model)

Telephone (505) 393-7726

Site Information

Company	Altura
Field	North Hobbs Unit
Point	IPD
Date	4/15/98

Water Analysis (mg/L)

Calcium	1,122
Magnesium	194
Barium	0
Strontium	0
Sodium*	3730
Bicarbonate Alkalinity	1,769
Sulfate	1,726
Chloride	6,000

* - Calculated Value

Appended Data

Dissolved CO2	228 mg/l.
Dissolved O2	N/A PPB
H2S	596 mg/l.
Iron	0.0 mg/l.
Specific Gravity	1.010 value
TDS	14551 mg/l.
Total Hardness	3600 mg/l.
Well head pH	N/A value

Physical Properties

Ionic Strength*	0.29
pH†	6.52
Temperature	86°F
Pressure	100 psia

* - Calculated Value † - Known/Specified Value

Calcite Calculation Information

<i>Calculation Method</i>	<i>Value</i>
pH	6.52
<i>Bicarbonate Alkalinity Correction(s)</i>	<i>Value</i>
None Used	---

SI & PTB Results

<i>Scale Type</i>	<i>SI</i>	<i>PTB</i>
Calcite (Calcium Carbonate)	0.48	310.4
Gypsum (Calcium Sulfate)	-0.45	N/A
Hemihydrate (Calcium Sulfate)	-0.32	N/A
Anhydrite (Calcium Sulfate)	-0.72	N/A
Barite (Barium Sulfate)	N/A	N/A
Celestite (Strontium Sulfate)	N/A	N/A



P.O. BOX 2187
HOBBS, NEW MEXICO 88240

Ranged Data
Champion Technologies, Inc.

Telephone (505) 393-7726

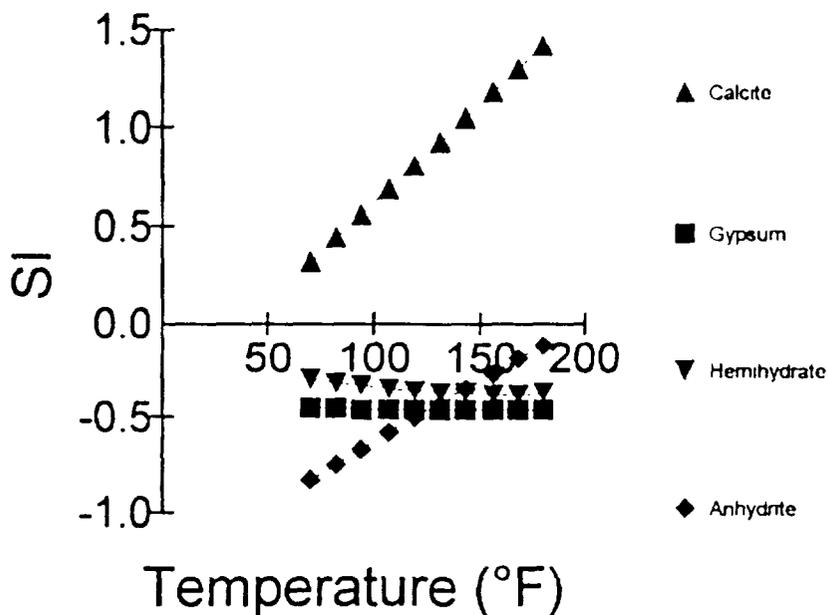
Site Information

Company	Altura
Field	North Hobbs Unit
Point	IPD
Date	4/15/98

SI Results

Temperature (°F)	Calcite	Gypsum	Hemihydrate	Anhydrite
70	0.32	-0.45	-0.30	-0.83
82	0.44	-0.45	-0.32	-0.75
94	0.56	-0.46	-0.33	-0.67
107	0.69	-0.46	-0.35	-0.58
119	0.81	-0.46	-0.36	-0.50
131	0.93	-0.46	-0.37	-0.43
143	1.05	-0.46	-0.37	-0.35
156	1.18	-0.46	-0.38	-0.27
168	1.30	-0.46	-0.38	-0.19
180	1.42	-0.46	-0.37	-0.12

SI





Laboratory Services, Inc.

4016 Fiesta Drive
Hobbs, New Mexico 88240
Telephone: (505) 397-3713

Water Analysis

COMPANY Altura Energy Ltd,

SAMPLE 18S-37E-Sec 24 SE1/4, SE1/4, SE1/4, SE1/4, SE1/4, SW1/4

SAMPLED BY David Nelson

DATE TAKEN 10/12/99

REMARKS

Barium as Ba	0	
Carbonate alkalinity PPM	0	
Bicarbonate alkalinity PPM	224	
pH at Lab	7.47	
Specific Gravity @ 60°F	1.001	
Magnesium as Mg	197	
Total Hardness as CaCO3	340	
Chlorides as Cl	141	
Sulfate as SO4	105	
Iron as Fe	0	
Potassium	0.1	
Hydrogen Sulfide	0	
Rw	7.5	23 C
Total Dissolved Solids	885	
Calcium as Ca	143	
Nitrate	2.4	

Results reported as Parts per Million unless stated

Langelier Saturation Index - 0.03

Analysis by: Rolland Perry
Date: 10/19/99

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

OIL CONSERVATION DIVISION

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT IV
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-29073	Pool Code 31920	Pool Name HOBBS; GRAYBURG - SAN ANDRES
Property Code 19520	Property Name NORTH HOBBS G/SA UNIT	Well Number 432
OGRID No. 157984	Operator Name ALTURA ENERGY LTD.	Elevation 3668

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	24	18 S	37 E		2471	SOUTH	1286	EAST	LEA

Bottom 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
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.						

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>SPC NME NAD 27 Y=632018 X=848539</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Mark Stephens</i> Signature</p> <p>Mark Stephens Printed Name</p> <p>Business Analyst (SG) Title</p> <p>November 5, 1999 Date</p>
	<p>WELL #432</p>	<p>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>JULY 20, 1999 Date Surveyed</p> <p>DMCC</p> <p>Signature of Professional Surveyor <i>Ronald J. Eirson</i></p> <p>RONALD J. EIRSON REGISTERED PROFESSIONAL SURVEYOR NEW MEXICO 7-27-99 99-11-0591</p> <p>Certificate No. RONALD J. EIRSON 3239 GARY EIDSON 12641 MACON DONALD 12185</p>

Active wells within 1/2 mile radius of proposed 24-432 conversion

Well Name	Oper	API No.	Sec.	T	R	Un Ltr	Drill Date	Well Type	TD or PBTD	Top Perf	Bot. Perf	Sqz. Perfs	Csg. Size	Hole Size	Depth	No. of	
																Sxs.	TOC
19121	Altura	30-025-07357	19	-18S	-38E	E	9/30	Prod	4280	4050	4248		9	11.75	245	200	Circ.
													7	8.75	2752	500	1291 Calc.
													4.5 Lnr	6.75	4020	200	3070 CBL
															3884/4250	45	3054 Calc.
19131	Altura	30-025-07361	19	-18S	-38E	L	9/30	Prod	4282	4247	4282		9.625	11.5	2774	600	
													7	8.75	3960	225	
													5.5	6.75	4247	150	2235 TS
24212	Altura	30-025-29129	24	-18S	-38E	C	04/22/1985	Inj	4313	4135	4288	4112-14	13.375	18	40	200	Circ
													9.625	12	1500	600	Circ.
													7	8.625	4368	580	Circ
24221	Altura	30-025-09876	24	-18S	-38E	F	10/01/1934	Prod	3975	4065	4241	4220-40	9.625	12	2802	150	
												4128-36	7	8.625	4030	250	3005 CBL
												4110-14	5.5 Lnr	6.25	3953-4259	100	Circ.
												4123-25					
24231	Altura	30-025-05483	24	-18S	-38E	K	6/34	Prod	4169	4050	4148		9.625	11.75	2823	200	2089
													7	8.75	3966	150	3272 CBL
													5 Lnr	6.25	3917-4171	50	3917
24242	Altura	30-025-26832	24	-18S	-38E	N	11/21/1980	Inj	4293 (CIBP)	4204	4280	4236-56	16	20	40	40	Surf
												4315-89	8.625	12.25	1600	785	Surf
													5.5	7.875	4442	1350	Surf/CBL
24311	Altura	30-025-05481	24	-18S	-38E	B	8/35	Inj	4274	4132	4256		9.625	12.25	1588	400	427
													6.25	8	3976	320	3072 CBL
													4.5 Lnr	5.5	3745-4288	150	3946
24321	Altura	30-025-05480	24	-18S	-38E	G	8/34	Prod	4204	3994	4204		13.375	17	214	415	Circ
										(OH)			9.625	12.25	2815	350	1730
													7	8.75	3994	200	3410 CBL
24331	Altura	30-025-05488	24	-18S	-38E	J	6/32	Prod	4218	3878	4215		12.5	16	215	200	Circ
										(OH)			9	11.75	2810	400	1642
													7	8.75	3878	300	Surf CBL

Note: Calculated TOC's are estimated assuming 50% efficiency

Active wells within 1/2 mile radius of proposed 24-432 conversion

Well Name	Oper	API No.	Sec.	T	R	Un Ltr	Drill Date	Well Type	TD or PBT D	Top Perf	Bot. Perf	Sqz. Perfs	Csg. Size	Hole Size	Depth	No. of	
																Sxs.	TOC
24341	Altura	30-025-05490	24	-18S	-38E	O	5//33	Prod	4270	4186	4258		9	11.75	2810	400	1642
													7	8.75	3896	300	2986 CBL
													5.5 Lnr		3821-4312	45	3921
24342	Altura	30-025-29062	24	-18S	-38E	O	03/28/1985	Prod	4110 (CIBP)	4050	4065		13.375	17.5	40		
													9.625	13.75	1531	600	Circ
													7	8.25	4371	850	Circ
24411	Altura	30-025-23522	24	-18S	-38E	A	7//70	Prod	4274	4138	4260		8.625	12.25	322	210	Circ
													5.5	7.875	4283	265	2524 CBL
24413	Altura	30-025-28414	24	-18S	-38E	A	5//84	Inj	4286	4181	4295	4104,10	16		40		
												4123-61	8.625	12.25	1520	750	Circ
													5.5	7.875	4400	625	Circ
24421	Altura	30-025-23081	24	-18S	-38E	H	5//69	Prod	4298 (CIBP)	4064	4316		13.375	17.5	408	400	Circ
													8.625	11	3903	500	2115
													5.5	7.875	6106	385	2840
24422	Altura	30-025-05478	24	-18S	-38E	H	9//30	Prod	4117 (CIBP)	4174	4254		9.625	13.75	2806	600	1769
													7	8.25	4085	375	3000 CBL
													5.5 Lnr		3933-4304	100	4120 CBL
24431	Altura	30-025-05487	24	-18S	-38E	I	11//30	Prod	4218	3951-4218 (OH)			12.5	15.5	221	180	Circ
													9	11.75	2782	510	1292
													7	8.75	3951	250	Surf
24441	Altura	30-025-05486	24	-18S	-38E	P	7//30	Prod	4139	3880-4139 (OH)			12	15.5	1521	300	Circ
													9	11.75	2815	700	770
													7	8.25	3880	200	2131
24442	Altura	30-025-29098	24	-18S	-38E	P	3//85	Inj	4254 (CIBP)	4165	4271	4070-4156	13.375	17.5	40		
													9.625	12.5	1527	375	Circ
													7	8.25	4384	576	Circ

Note: Calculated TOC's are estimated assuming 50% efficiency

Active Outside Operated Wells within 1/2 mile radius of proposed 24-432 conversion

Well Name	Oper	API No.	Sec.	T	R	Un Ltr	Drill Date	Well Type	TD or PBTD	Top Perf	Bot Perf	Sqz Perfs	Csg. Size	Hole Size	Depth	No. of		
																Sxs.	TOC	
Quarry #1		30-025-	32297	19	-18S	-38E	L	11/93	Prod	3200	2666	3260		8.625	12.25	318	200	Surf 'c'
Erwin O&G														5.5	7.875	3320	550	Surf 'c'

Note: 'c' in TOC column denotes calculated cmt top w/ 50% efficiency

LIST OF OFFSET OPERATORS & SURFACE OWNERS

North Hobbs (Grayburg/San Andres) Unit
Well No. 432
Letter I, Section 24, T-18-S, R-37-E
Lea County, New Mexico

Offset Operators

Altura Energy LTD
P.O. Box 4294
Houston, TX 77210-4294

Erwin Oil & Gas Ltd Co.
P.O. Box 1506
Hobbs, NM 88241

Surface Owners

State of New Mexico
Commissioner of Public Lands
P.O. Box 1148
Santa Fe, NM 87504-1148

Sally Huston Seed (State of New Mexico Agricultural Lease GT-766)
4721 Lovington Hwy
Hobbs, NM 88240

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

1. Addressee's Address
2. Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Erwin Oil & Gas Ltd Co.
P.O. Box 1506
Hobbs, NM 88241

4a. Article Number
P 447 842 783

4b. Service Type

Registered Certified
 Express Mail Insured
 Return Receipt for Merchandise COD

7. Date of Delivery

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)
X

PS Form 3811, December 1994 102595-97-B-0179 Domestic Return Receipt

Thank you for using Return Receipt Service.

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

1. Addressee's Address
2. Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Sally Huston Seed
4721 Lovington Hwy
Hobbs, NM 88240

4a. Article Number
P 447 842 785

4b. Service Type

Registered Certified
 Express Mail Insured
 Return Receipt for Merchandise COD

7. Date of Delivery

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)
X

PS Form 3811, December 1994 102595-97-B-0179 Domestic Return Receipt

Thank you for using Return Receipt Service.

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

1. Addressee's Address
2. Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

State of New Mexico
Commissioner of Public Lands
P.O. Box 1148
Santa Fe, NM 87504-1148

4a. Article Number
P 447 842 784

4b. Service Type

Registered Certified
 Express Mail Insured
 Return Receipt for Merchandise COD

7. Date of Delivery

5. Received By: (Print Name)

8. Addressee's Address (Only if requested and fee is paid)

6. Signature: (Addressee or Agent)
X

PS Form 3811, December 1994 102595-97-B-0179 Domestic Return Receipt

Thank you for using Return Receipt Service.

AFFIDAVIT OF PUBLICATION

State of New Mexico,
County of Lea.

I, KATHI BEARDEN

Publisher

of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, do solemnly swear that the clipping attached hereto was published once a week in the regular and entire issue of said paper, and not a supplement thereof for a period.

of 2 weeks.

Beginning with the issue dated

September 11 1999

and ending with the issue dated

September 12 1999

Kathi Bearden
Publisher

Sworn and subscribed to before

me this 22nd day of

October 1999

Godi Henson
Notary Public.

My Commission expires
October 18, 2000
(Seal)

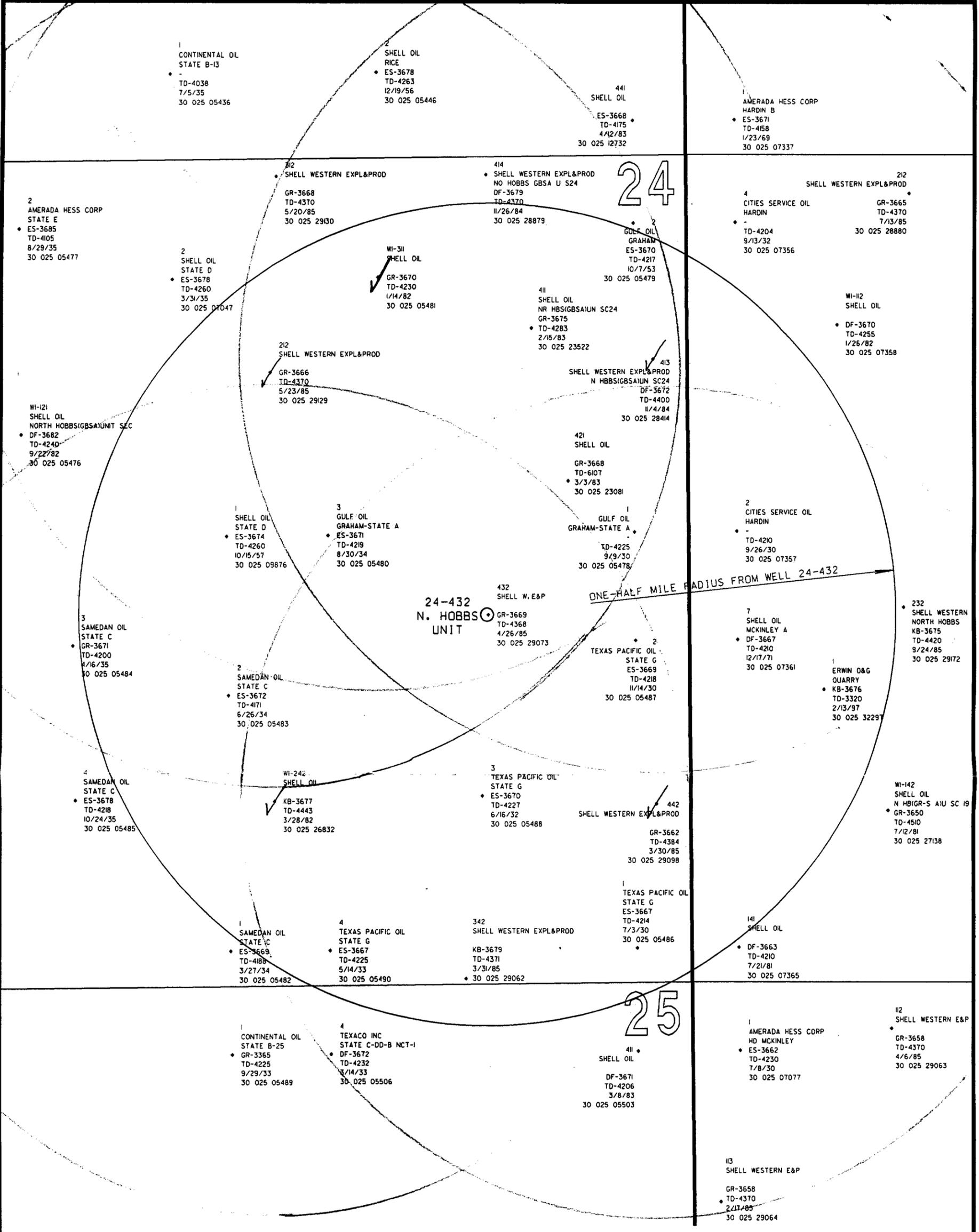
This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937, and payment of fees for said publication has been made.

02101173000 01535865
Altura Energy LTD
P. O. Box 4294
Houston, TX 77210-4294

LEGAL NOTICE
SEPTEMBER 12, 1999
Notice is hereby given of the application of Altura Energy LTD, Attn: Mark Stephens, P.O. Box 4294, Rm. 338-B, Houston, TX 77210-4294 (281/552-1158), to the Oil Conservation Division, New Mexico Energy, Minerals and Natural Resources Department, for approval of the following injection wells for the purpose of secondary recovery:

- Pool Name: Hobbs; Grayburg -San Adres
- Lease/Unit Name: North Hobbs G/SA Unit
- Well No. 221
- Loc.: 2310' FNL & 2310' FWL, Unit Letter F, Sec. 24, T-18-S, R-37-E, Lea Co., NM
- Well No. 342
- Loc.: 145' FSL & 1435' FEL, Unit Letter O, Sec. 24, T-18-S, R-37-E, Lea Co., NM
- Well No. 432
- Loc.: 2480' FSL & 1280' FEL, Unit Letter I, Sec. 24, T-18-S, R-37-E, Lea Co., NM
- Well No. 141
- Loc.: 330' FSL & 330' FWL, Unit Letter M, Sec. 29, T-18-S, R-38-E, Lea Co., NM
- Well No. 241
- Loc.: 330' FSL & 2310' FWL, Unit Letter N, Sec. 29, T-18-S, R-38-E, Lea Co., NM
- Well No. 112
- Loc.: 200' FNL & 1310' FWL, Unit Letter D, Sec. 30, T-18-S, R-38-E, Lea Co., NM
- Well No. 233
- Loc.: 2455' FSL & 1480' FWL, Unit Letter K, Sec. 30, T-18-S, R-38-E, LEA Co., NM
- Well No. 313
- Loc.: 405' FNL & 2272' FEL, Unit Letter B, Sec. 30, T-18-S, R-38-E, Lea Co., NM
- Well No. 332
- Loc.: 2470' FSL & 1600' FEL, Unit Letter J, Sec. 30, T-18-S, R-38-E, Lea Co., NM
- Well No. 412
- Loc.: 760' FNL & 550' FEL, Unit Letter A, Sec. 30, T-18-S, R-38-E, Lea Co., NM
- Well No. 432
- Loc.: 2260' FSL & 180' FEL, Unit Letter I, Sec. 30, T-18-S, R-38-E, Lea Co., NM

The injection formation is the Hobbs; Grayburg-San Andres Pool between the intervals of +/-3700' and +/-5300' below the surface of the ground. Expected maximum infection rate is 4000 BWPD and the expected maximum injection pressure is approximately 805 psi. Interested parties must file objections or requests for hearing with the Oil Conservation Division, 2040, S. Pacheco, Santa Fe, NM 87505 within fifteen (15) days.
#16873



1
CONTINENTAL OIL
STATE B-13
• TD-4038
7/5/35
30 025 05436

2
SHELL OIL
RICE
• ES-3678
TD-4263
12/19/56
30 025 05446

441
SHELL OIL
• ES-3668
TD-4175
4/12/83
30 025 12732

1
AMERADA HESS CORP
HARDIN B
• ES-3671
TD-4158
1/23/69
30 025 07337

24

2
AMERADA HESS CORP
STATE E
• ES-3685
TD-4105
8/29/35
30 025 05477

2
SHELL OIL
STATE D
• ES-3678
TD-4260
3/31/35
30 025 07047

312
SHELL WESTERN EXPL&PROD
GR-3668
TD-4370
5/20/85
30 025 29130

414
SHELL WESTERN EXPL&PROD
NO HOBBS GBSA U 524
DF-3679
TD-4370
11/26/84
30 025 28879

212
SHELL WESTERN EXPL&PROD
GR-3665
TD-4370
7/13/85
30 025 28880
4
CITIES SERVICE OIL
HARDIN
• TD-4204
9/13/32
30 025 07356

WI-121
SHELL OIL
NORTH HOBBSIGBSAUNIT SEC
• DF-3682
TD-4240
9/22/82
30 025 05476

212
SHELL WESTERN EXPL&PROD
GR-3666
TD-4370
5/23/85
30 025 29129

WI-311
SHELL OIL
GR-3670
TD-4230
1/14/82
30 025 05481

411
SHELL OIL
NR HBSIGBSAUN SC24
GR-3675
• TD-4283
2/15/83
30 025 23522

WI-112
SHELL OIL
• DF-3670
TD-4255
1/26/82
30 025 07358

413
SHELL WESTERN EXPL&PROD
N HBSIGBSAUN SC24
DF-3672
TD-4400
11/4/84
30 025 28414

421
SHELL OIL
GR-3668
TD-6107
• 3/3/83
30 025 23081

1
SHELL OIL
STATE D
• ES-3674
TD-4260
10/15/57
30 025 09876

3
GULF OIL
GRAHAM-STATE A
• ES-3671
TD-4219
8/30/34
30 025 05480

421
SHELL OIL
GR-3668
TD-6107
• 3/3/83
30 025 23081

2
CITIES SERVICE OIL
HARDIN
• TD-4210
9/26/30
30 025 07357

24-432
N. HOBBS
UNIT

432
SHELL W. E&P
GR-3669
TD-4368
4/26/85
30 025 29073

ONE-HALF MILE RADIUS FROM WELL 24-432

2
TEXAS PACIFIC OIL
STATE G
ES-3669
TD-4218
11/14/30
30 025 05487

7
SHELL OIL
MCKINLEY A
• DF-3667
TD-4210
12/17/71
30 025 07361

232
SHELL WESTERN
NORTH HOBBS
KB-3675
TD-4420
9/24/85
30 025 29172

3
SAMEDAN OIL
STATE C
• GR-3671
TD-4200
4/16/35
30 025 05484

2
SAMEDAN OIL
STATE C
• ES-3672
TD-4171
6/26/34
30 025 05483

1
ERWIN O&G
QUARRY
• KB-3676
TD-3320
2/13/97
30 025 32297

4
SAMEDAN OIL
STATE C
• ES-3678
TD-4218
10/24/35
30 025 05485

WI-242
SHELL OIL
KB-3677
TD-4443
3/28/82
30 025 26832

3
TEXAS PACIFIC OIL
STATE G
• ES-3670
TD-4227
6/16/32
30 025 05488

442
SHELL WESTERN EXPL&PROD
GR-3662
TD-4384
3/30/85
30 025 29098

WI-142
SHELL OIL
N HBSIGBSAUN SC 19
• GR-3650
TD-4510
7/12/81
30 025 27138

1
SAMEDAN OIL
STATE C
• ES-3669
TD-4188
3/27/34
30 025 05482

4
TEXAS PACIFIC OIL
STATE G
• ES-3667
TD-4225
5/14/33
30 025 05490

342
SHELL WESTERN EXPL&PROD
KB-3679
TD-4371
3/31/85
• 30 025 29062

1
TEXAS PACIFIC OIL
STATE G
ES-3667
TD-4214
7/3/30
30 025 05486

141
SHELL OIL
• DF-3663
TD-4210
7/21/81
30 025 07365

1
CONTINENTAL OIL
STATE B-25
• GR-3365
TD-4225
9/29/33
30 025 05489

4
TEXACO INC
STATE C-DD-B NCT-1
• DF-3672
TD-4232
5/14/33
30 025 05506

411
SHELL OIL
DF-3671
TD-4206
3/8/83
30 025 05503

1
AMERADA HESS CORP
HD MCKINLEY
• ES-3662
TD-4230
7/8/30
30 025 07077

112
SHELL WESTERN E&P
• GR-3658
TD-4370
4/6/85
30 025 29063

25

113
SHELL WESTERN E&P
GR-3658
TD-4370
2/17/85
30 025 29064

NOTE:
WELL DATA DERIVED FROM THE PETROLEUM
INFORMATION - DATA MANAGEMENT SYSTEM,
WELL DATA SYSTEM PREPARED FOR AMOCO.



Altura Altura Energy Ltd.
ENERGY, LTD.

Area of Review Plat
**NORTH HOBBS (GRAYBURG
SAN ANDRES) UNIT**
WELL NO. 24-432
T-18-S, R-37-E
Lea County, New Mexico

Scale: 1" = 600' 07-03-99 nm438a00.dgn - 11
Plat prepared by PJE Drafting, Inc.
For Horizon Survey, Inc.

LARGE FORMAT
EXHIBIT HAS
BEEN REMOVED
AND IS LOCATED
IN THE NEXT FILE

PMX-199



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

GOVERNOR

11/15/99

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 393-6161

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

RE: Proposed:

- MC _____
- DHC _____
- NSL _____
- NSP _____
- SWD _____
- WFX _____
- PMX X

Gentlemen:

I have examined the application for the:

<u>Altura Energy Ltd</u>	<u>North Hobbs</u>	<u>GA/SA</u>	<u>Unit</u>	<u># 432-I-24-18-37</u>
Operator	Lease & Well No.	Unit	S-T-R	<u>30-025-29073</u>

and my recommendations are as follows:

OK-

Yours very truly,

Chris Williams

Chris Williams
Supervisor, District 1

/ed