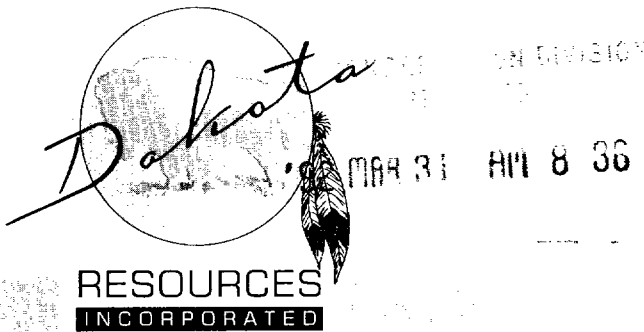


Chris M. Morphew



(915) 687-0501

March 27, 1992

Oil Conservation Commission
P.O. Box 2088
Santa Fe, NM 87504

Attn: David Catanach

Re: Big Eddy Federal #100

Dear Mr. Catanach,

Dakota Resources, Inc. made application on January 23, 1992 for approval to complete the above referenced well as a salt water disposal well. Approval was granted by the OCD on February 6, 1992 through administrative order No. SWD-461. In the approval it was noted that "The Director of the Division may authorize an increase in injection pressure upon a proper showing by the operator of said well that such higher pressure will not result in migration of the injected fluid from the Delaware formation. Such proper showing shall consist of a valid step-rate test run in accordance with and acceptable to this office". Dakota would like to request at this time that we be given the approval to perform such step rate test. We have been in contact with John West Engineering out of Hobbs, and they will be performing the test for us.

If you have any questions, please do not hesitate to call me. I am sending a copy of this letter to Bass Enterprises and the Bureau of Land Management.

Very truly yours,

Pam Morphew

Pam Morphew



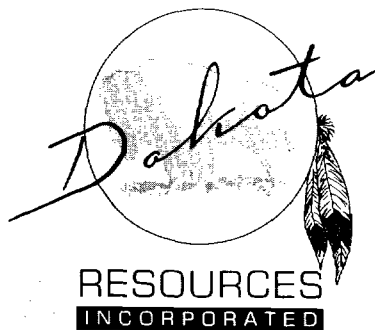
310 West Wall

• Suite 814

• Midland, Texas 79701



Chris M. Morphew



OIL CONSERVATION DIVISION
RECEIVED

'92 FEB 24 AM 9 12
(915) 687-0501

February 24, 1992

Oil Conservation Commission
P.O. Box 2088
Santa Fe, NM 87504

Attn: David Catanach

Re: Big Eddy Federal #100

Dear Mr. Catanach,

Dakota Resources, Inc. made application on January 23, 1992 for approval to complete the above referenced well as a salt water disposal well. Approval was granted by the OCD on February 6, 1992 through administrative order No. SWD-461 to inject water through perforations from 3197' - 3210'. Though we had reviewed the OCD files, it was later discovered through some old Exxon well files that there were additional perms in the Delaware zone.

Dakota would like to request at this time that the permit to dispose be amended to include the following perforations:

1. 2886 - 2906
2. 3022, 3028, 3044 - 3050 and 3074 - 3082

We also understand that this will change the maximum pressure from 639 psi to 577 psi.

If you have any questions, please do not hesitate to call me. I am sending a copy of this letter for Amendment to Bass Enterprises and the Bureau of Land Management.

Very truly yours,

DAKOTA RESOURCES, INC.

A handwritten signature in cursive script that reads "Pam Morphew".
Pam Morphew

PM:mb



310 West Wall

• Suite 814

• Midland, Texas 79701

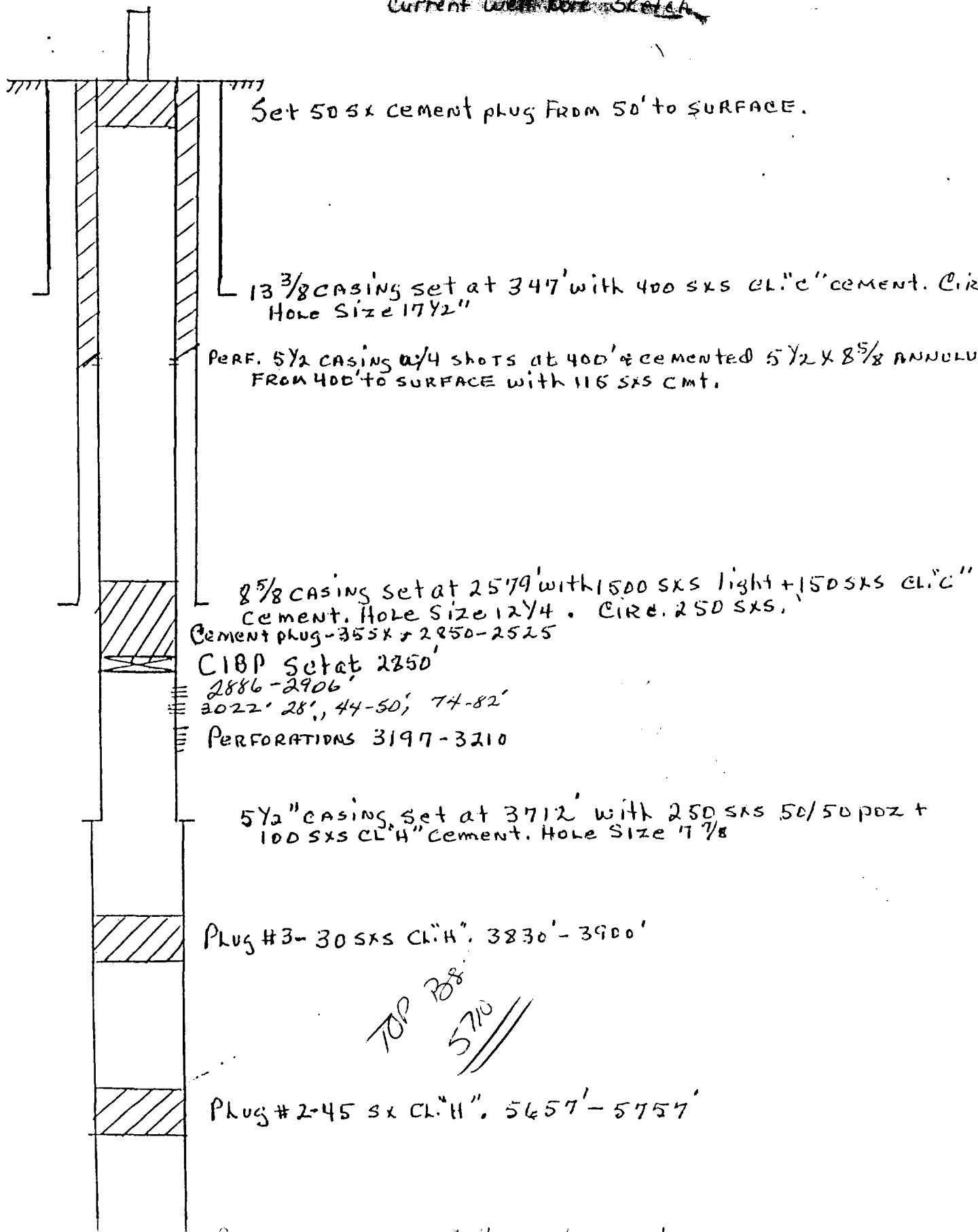


WORKOVER PROCEDURE

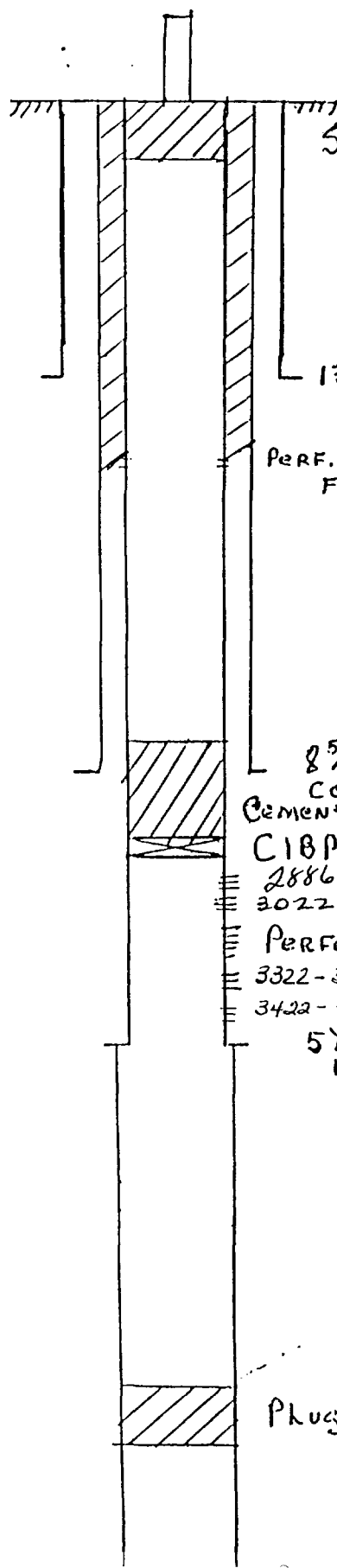
1. POH with packer
2. Perforate at 3322-3359' and 3422-3462'
3. Set packer at 3300'
4. Acidize with 4000 gallons 7 1/2% NeFe. Drop ballsealers to divert acid.
5. POH
6. RIH and drill out bottom of casing at 3712' and clean out to 5700'.
7. set packer at 3700' with 300' tail pipe below packer.
8. Rig up injection pump and begin pumping produced water to establish an injection profile.
9. Evaluate results based on pressure and rate.
10. If necessary, stimulate with 4000 gallons of 7 1/2% NeFe.
11. RIH with lined tubing and coated packer and set at 2850'.
12. Return well to injection.

OPERATOR Dakota Resources, Inc. (I)		DATE 3/27/92
LEASE Big Eddy Federal	WELL NO. #100	LOCATION Sec. 8 - T21S - R28E.

Current well bore sketch



OPERATOR Dakota Resources, Inc. (I)		DATE 3/27/92
LEASE Big Eddy Federal	WELL NO. #100	LOCATION Sec. 8 - T 21 S - R 28 E.



Set 50 s x cement plug From 50' to surface.

13 ³/₈ casing set at 347' with 400 s x s CL "C" cement. Circ. Hole Size 17 ¹/₂"

PERF. 5 ¹/₂ casing w/ 4 shots at 400' & cemented 5 ¹/₂ x 8 ⁵/₈ annulus from 400' to surface with 116 s x s cement.

8 ⁵/₈ casing set at 2579' with 1500 s x s light + 150 s x s CL "C" cement. Hole size 12 ¹/₄". Circ. 250 s x s.
Cement plug - 355 x 2850 - 2525

CIBP Set at 2850'

2886 - 2906'

3022' 28', 44-50', 74-82'

PERFORATIONS 3197 - 3210

3322 - 3359'

3422 - 3462'

5 ¹/₂" casing set at 3712' with 250 s x s 50/50 poz + 100 s x s CL "H" cement. Hole size 7 ⁷/₈"

Plug # 2-45 s x CL "H". 5657' - 5757'



State of New Mexico
ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT
Santa Fe, New Mexico 87505



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

MATTHEW BACA
DEPUTY SECRETARY

June 12, 1992

Dakota Resources Inc.
310 West Wall
Suite 814
Midland, Texas 79701

Attention: Pam Morpew

Dear Ms. Morpew:

Reference is made to the request of B & E Inc./Dakota Resources Inc. dated May 21, 1992 to increase the surface injection pressure on the Big Eddy Federal Well No. 100 located in Unit L of Section 8, Township 21 South, Range 28 East, NMPM, Eddy County, New Mexico. This well was approved by the Division for use as a salt water disposal well by Order No. SWD-461 on February 6, 1992.

Based upon the results of the step rate test conducted on the subject well on May 18, 1992, and submitted as evidence in this matter, your request to increase the surface injection pressure on the subject well is hereby denied.

If you should have any questions, please contact myself at (505) 827-5800.

Sincerely,

David Catanach
Engineer

xc: OCD-Artesia
File-SWD-461 ✓

VILLAGRA BUILDING - 408 Galisteo

Forestry and Resources Conservation Division
P.O. Box 1948 87504-1948
827-5830

Park and Recreation Division
P.O. Box 1147 87504-1147
827-7465

2040 South Pacheco

Office of the Secretary
827-5950

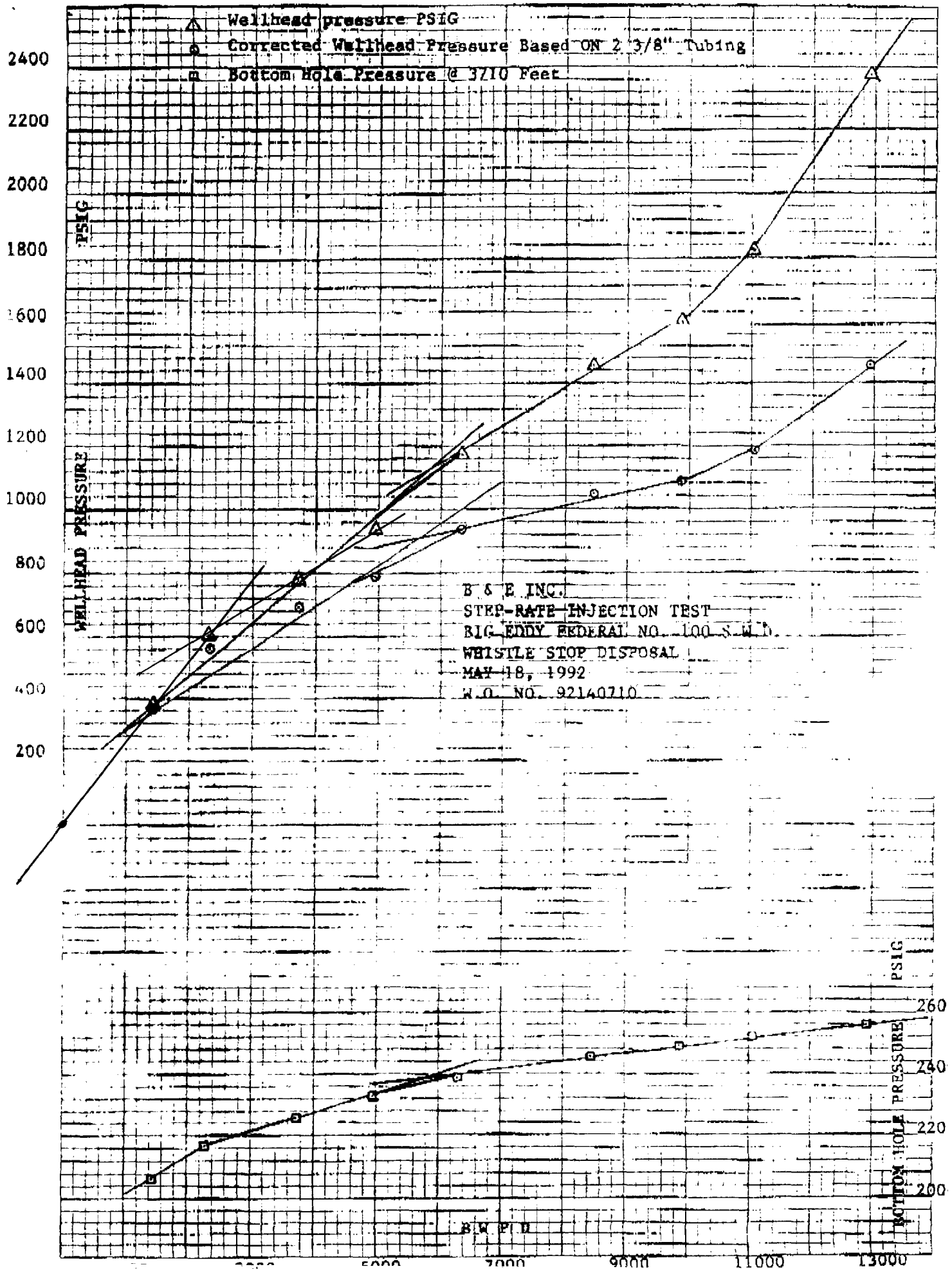
Administrative Services
827-5925

Energy Conservation & Management
827-5900

Mining and Minerals
827-5970

LAND OFFICE BUILDING - 310 Old Santa Fe Trail

Oil Conservation Division
P.O. Box 2088 87504-2088
827-5800



Test witnessed by JR

JOHN WEST ENGINEERING COMPANY

Hobbs, New Mexico

STEP RATE INJECTION TEST

CLIENT: B. & E. Inc.

DATE: May 18, 1992

WELL NAME: Big Eddy Federal No. 100 S.W.D. Whistle Stop Disposal
Eddy County, New Mexico

WO#: 92140710

Sec. 8, Twp. 21S, Rge. 28E

PERFID = 3996 - 3452

PACKER DEPTH = 3700

BHP GAUGE DEPTH = 3710

(1) TEST NO. #	(2) TIME	(3) SURFACE FLUID PRESS. (psig)	(4) CUMULATIVE VOL. INJECTED (bbls)	(5) INJECTION RATE (bbls/hr)	(6) FRICTION HEAD LOSS (psig)	(7) CORRECTED FLUID PRESS. (psig) (5)-(6)	(8) INJECTION RATE (gpm) (5/24.667)	(9) MEASURED BHP (psig)
1	6:30	15.0				15.0		1882
	6:35	244.0				244.0		2048
	6:40	322.0	11.5			322.0		2071
	6:45	377.1	15.0	1080.0	8.857	368.2	31.50	2071
2				1440.0				
	6:50	579.2	22.0	2016.0	28.103	551.1	56.80	2143
	6:55	604.4	30.0	2304.0	35.977	568.4	67.20	2158
	7:00	601.8	38.0	2304.0	35.977	565.8	67.20	2165
3				2304.0				
	7:05	755.8	50.5	3591.6	81.794	674.0	104.76	2227
	7:10	772.2	64.0	3888.6	95.106	677.1	113.85	2248
	7:15	779.8	77.0	3744.0	88.330	691.5	109.20	2258
4				3744.0				
	7:20	913.6	94.2	4953.6	148.268	765.3	144.48	2299
	7:25	923.7	112.0	5126.4	157.976	765.7	149.52	2315
	7:30	941.3	129.0	4896.0	145.092	796.2	142.80	2326
5				4892.0				
	7:35	1123.4	151.0	6336.0	233.774	889.6	184.80	2369
	7:40	1134.7	173.0	6336.0	233.774	900.9	184.80	2383
	7:45	1172.6	195.0	6336.0	233.774	936.8	184.80	2392
6				6336.0				
	7:50	1442.2	224.0	8352.0	389.718	1052.5	243.60	2431
	7:55	1458.6	253.0	8352.0	389.718	1068.9	243.60	2446
	8:00	1457.3	283.0	8640.0	414.943	1042.4	252.00	2455
7				8448.0				
	8:05	1600.3	318.0	1008.0	7.795	1592.5	29.40	2469
	8:10	1601.6	352.0	9792.0	523.058	1078.5	285.60	2477
	8:15	1604.1	386.0	9792.0	523.058	1081.0	285.60	2486
				9888.0				

STEP NO.		(1)	(2)	(3)	(4)	(5)	(6)	(7)
REMARKS	TIME	SURFACE FLUID PRESS. (PSI)	CUMULATIVE VOL. INJECTED (GAL)	INJECTION RATE (GAL/MIN)	FRICTION HEAD LOSS (PSI)	CORRECTED FLUID PRESS. (PSI) (1)-(4)	INJECTION RATE (GPM) (6)/(34.2857)	MEASURED ROP (GPM)
8	8:20	1810.4	425.0	11232.0	674.192	1136.2	327.60	2502
	8:25	1820.5	463.0	10944.0	642.560	1177.9	319.20	2512
	8:30	1833.1	501.0	10944.0	642.560	1190.5	319.20	2521
				11040.0				
9	8:35	2295.7	548.0	12960.0	878.531	1417.2	378.00	2539
	8:40	2305.9	590.0	12672.0	842.755	1463.1	369.60	2552
	8:45	2375.6	636.0	13248.0	914.989	1460.6	366.40	2560
				12960.0				
Fall - Off	8:46	833.4				833.4		2542
	8:47	817.8				817.8		2530
	8:48	804.3				804.3		2520
	8:49	791.7				791.7		2508
	8:50	780.3				780.3		2497
	8:51	767.7				767.7		2488
	8:52	756.3				756.3		2474
	8:53	744.9				744.9		2463
	8:54	732.3				732.3		2452
	8:55	720.9				720.9		2441
	9:00	709.5				709.5		2429
	9:01	696.9				696.9		2411
	9:02	686.7				686.7		2408
	9:03	675.4				675.4		2398
	9:04	665.3				665.3		2387