



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor

April 12, 2004

Joanna Prukop
Cabinet Secretary
Acting Director
Oil Conservation Division

Seely Oil Company
c/o Mr. William F. Carr
Holland & Hart L.L.P.
P.O. Box 2208
Santa Fe, New Mexico 87504-2208

Attention: Mr. William F. Carr

Re: Extension of Injection Provisions
Division Order No. R-11929

Dear Mr. Carr:

As per your request dated March 30, 2004, and for the reasons outlined in your letter, a one-year extension of time in which to convert the wells shown on Exhibit "A" to injection within the EK Penrose Sand Unit Waterflood Project, approved by Division Order No. R-11929 dated April 16, 2003, is hereby granted.

The injection authority for these wells shall expire on April 16, 2005 if the operator has not commenced injection operations.

All other provisions contained within Division Order No. R-11929 shall remain in full force and effect.

Sincerely,

A handwritten signature in cursive script, reading "David Catanach".

David Catanach
Engineer/Examiner

Xc: OCD-Hobbs
Case File-12964

Exhibit "A"
Division Order No. R-111929
EK Penrose Sand Unit Waterflood Project
Approved Injection Wells

Well Name & Number	API Number	Well Location	Injection Interval	Packer Depth
EK Queen Unit No. 27	30-025-01636	990' FSL & 1980' FEL, Unit O, Section 24, T-18S, R-33E	4,628' -4,634'	4,575'
McElvain Federal No. 1	30-025-01646	660' FNL & 1980' FEL, Unit B, Section 25, T-18S, R-33E	4,637' -4,657'	4,575'
EK Queen Unit No. 22	30-025-02345	1980' FSL & 1897' FWL, Unit K, Section 19, T-18S, R-34E	4,678' -4,686'	4,600'
EK Queen Unit No. 21	30-025-02344	1980' FSL & 660' FWL, Lot 3, Section 19, T-18S, R-34E	4,698' -4,710'	4,625'
Citation No. 1	30-025-34880	1650' FSL & 330' FWL, Unit L, Section 20, T-18S, R-34E	4,814' -4,822'	4,675'
Scharbauer No. 2	30-025-24939	330' FSL & 1650' FWL, Unit N, Section 20, T-18S, R-34E	4,746' -4,764'	4,675'
Howe "TG" Federal No. 1	30-025-27759	1980' FSL & 1830' FWL, Unit K, Section 30, T-18S, R-34E	To Be Determined	4,675'
McElvain Federal No. 13	N/A	2275' FSL & 330' FEL, Unit I, Section 30, T-18S, R-34E	To Be Determined	TBD
McElvain Federal No. 10	30-025-35753	1650' FNL & 1980' FWL, Unit F, Section 29, T-18S, R-34E	4,778' -4,885'	4,700'