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April 4, 2006

New Mexico Oil Conservation Division
Underground Injection Control
1220 S. St. Francis Dr.
Santa Fe, New Mexico 87505

Attn: Mr. David Catanach

Mr. Catanach,

This is the second phase of injection wells that we are requesting for reactivation. This field was unitized by Order No. R-9028 in October 1989 and granted a waterflood project status by Order No. R-9029 also in October 1989. This unit has had continuous injection in it since it was established as a waterflood. As we fix the physical plant in the unit the need for water injection grows with each well that goes back on production. There are 18 wells that have been permitted for water injection in the CATO San Andres Unit.

I am requesting the below captioned wells be reactivated and authorized to inject water into the San Andres Formation according to their original application and authorization by the NMOCD. A list of data for 6 of the original 18 wells authorized for injection is provided below and is attached to this letter.

1. List of wells for reactivation
2. Wells API Nos.
3. Well Locations
4. WBD's
5. Tubing, Packer and Perforation Details
6. NMOCD Order No Authorizing Injection for each well
7. Map w/ 1/2 mile radius of each well
8. Description of Activity within each wells 1/2 mile radius area of review that has occurred since 1989.

I am requesting that the CATO San Andres Unit Wells #21, #23, #26, #32, 51 and #54 be reactivated for water injection as mentioned earlier I have attached the requested data to this letter. If you any questions or need for additional data please call me at 432-686-0475 or 432-686-2458 or e-mail me at jklawson@lothian.us

Sincerely,

Jesse Lawson
Petroleum Engineer
Lothian Oil, Inc.

2006 APR 5 AM 10 57

LOTHIAN OIL, INC.

CONDITION OF HOLE

INJECTION WELL

3/24/06

FIELD: Cato San Andres LEASE: Cato San Andres Unit WELL NO: 21

LEGAL: 660' FNL & 1980' FWL, Unit C, Sec. 11, T-8-S, R-30-E, NMPM, Chaves County, NM

API No.: 30-005-20069 SPUD DATE: 05/04/67

STATE LEASE No.: COMPLETION DATE: 05/17/67

REASON FOR WORK: To increase water injection.

CONDITION OF HOLE:

TOTAL DEPTH: 3,532' PBD: 3,508' KB DATUM: 11' Above: 4,130'-GL, 4,141'-KB

CASING RECORD:

17 jts (454') of 8-5/8", 24#, J-55, 8rd, ST&C Surf Csg. Set Csg at 461'.

90 jts (3,536') of 4-1/2", 9.5#, J-55, 8rd, L.S., ST&C Prod Csg. Set Csg @ 3,532'.

PERFORATIONS: 3,383'-92', 3,403-26', 54-77' w/ 2-JSPF. A total of 54' Net Perfs & 108 Holes. P-1

TUBING DETAIL: No Tbg in Well

Wellhead Model, Type & Rating:

Pumping Unit:

ROD & PUMP DETAIL:

Rod Pump:
Polish Rod:

Pol Rod Liner:

REGULATORY REQUIREMENTS:

WELL HISTORY:

5/4/67 Spud Well for Pan American Petrol. Corp. w/ Chico Drilling with 12-1/4" hole to 461'.

Original Well Name: **Basket B # 2**

Ran 17 jts (454') of 8-5/8", 24#, J-55, 8rd, ST&C Surf Csg. Set Csg at 461'.

Cmt'd w/ 300 sxs of Cl "C" Incor + 2% CaCl. Circ Cmt to Surf.

5/11/67 Drilled 7-7/8" Hole to TD @ 3,532'.

Ran 90 jts (3,536') of 4-1/2", 9.5#, J-55, 8rd, L.S., ST&C Prod Csg. Set Csg @ 3,532'.

Cmt'd w/ 300 sxs of Cl "C" Incor +12% Gel & Tailed w/ 300 sxs of Incor Neat.

TOC @ Unknown

5/16/67 Perf'd the P-1 f/ 3,383'-92', 3,403-26', 54-77' w/ 2-JSPF. A total of 54' Net Perfs & 108 Holes.
Acidized the P-3 f/ 3,383-3,477' w/ 6,000 gals of 28% LSTNE Acid in 2 Eq Stgs. Drp'd 150# MB f/ divert.
Pmax: 3200#, Pmin: 2100#, ISIP: 2100#, AIR: 6 BPM.

5/17/67 I P 'd: 120 BOPD, 20 BWPD, 0 MCFPD

9/24/72 Well was Converted f/ Production to Water Injection. POOH w/ Rod Pump, Rods & Tbg.
Ran 108 jts(3,350') of 2-3/8", 4.7#, J-55, EUE, 8rd, PCID Tbg w/ Johnston PC Ten Pkr. SPA 3,350'.
Load Annulus w/ 58 bbls of Pkr Fluid. Start Wtr Inj on 9/23/72 in accordance with NMOCD Order # 3867-B,
Dated: 8/7/72. Well Name has changed to CATO Baskett Pressure Maintenance Project # 5

5/17/83 Change of Ownership: Apollo Energy of Hobbs, NM bought the well.

2/2/88 Change of Ownership: Kelt Oil & Gas of Roswell, NM bought the well.

03/08/90 Well Name has changed to CATO San Andres Unit # 21

05/14/90 Well is Reclassified as a SWD by NMOCD Order # R-9029

11/01/95 Change of Ownership: Secondary Oil Corp. of Marble Falls, TX bought the well.

12/01/97 Change of Ownership: Seirra Blanca Operating Co. of Cleburne, TX bought the well.

06/01/99 Change of Ownership: UHC New Mexico Corp. of Cleburne, TX bought the well.

10/2/02 Checked Well Found Sand Line in Well

12/27/05 Lothian Oil Bought the Well.

LOTHIAN OIL, INC.

CONDITION OF HOLE

INJECTION WELL

3/27/06

FIELD: Cato San Andres LEASE: Cato San Andres Unit WELL NO: 23

LEGAL: 660' FNL & 660' FEL, Unit A, Sec. 11, T-8-S, R-30-E, NMPM, Chaves County, NM

API No.: 30-005-10523 SPUD DATE: 09/28/66

STATE LEASE No.: COMPLETION DATE: 10/22/66

REASON FOR WORK: To increase water injection.

CONDITION OF HOLE:

TOTAL DEPTH: 3,576' PBTD: 3,508' KB DATUM: _____ Above: 4,181'-KB

CASING RECORD: 16 jts (447') of 8-5/8", 24#, J-55, 8rd, ST&C Surf Csg. Set Csg at 455'.
112 jts (3,584') of 4-1/2", 9.5#, J-55, 8rd, ST&C Prod Csg. Set Csg @ 3,576'.

PERFORATIONS:

3,478'-82', 3,499-3,518', 44-68', 73-76' w/ 2-JSPF. A total of 50' Net Perfs & 100 Holes. P-2

TUBING DETAIL: No Tbg in Well

Wellhead Model, Type & Rating:

Pumping Unit:

ROD & PUMP DETAIL:

Rod Pump:

Polish Rod:

Pol Rod Liner:

REGULATORY REQUIREMENTS:

WELL HISTORY:

9/29/66 Spud Well for Pan American Petrol. Corp. w/ Chico Drilling with 12-1/4" hole to 454'.

Original Well Name: Basket D # 2

Ran 16 jts (447') of 8-5/8", 24#, J-55, 8rd, ST&C Surf Csg. Set Csg at 455'.

Cmt'd w/ 300 sxs of Cl "C" Incor + 2% CaCl. Circ Cmt to Surf.

10/7/66 Drilled 7-7/8" Hole to TD @ 3,576'.

Ran 112 jts (3,584') of 4-1/2", 9.5#, J-55, 8rd, ST&C Prod Csg. Set Csg @ 3,576'.

Cmt'd w/ 500 sxs of Cl "C" Incor +12% Gel & Tailed w/ 300 sxs of Incor Neat.

TOC @ Unknown

- 10/11/66 Perf'd the P-2 f/ 3,478'-82', 3,499-3,518', 44-68', 73-76' w/ 2-JSPF. A total of 50' Net Perfs & 100 Holes. Acidized the P-2 f/ 3,478-3,576' w/ 2,000 gals of 15% NE Pentol Acid. Drp'd 110 RCN BS f/ divert. FRMBRKDOWN: 1600#, Pmax: 2100#, Pmin: 1600#, ISIP: 1200#, AIR: 4 BPM.
- 10/14/66 Frac the P-2 f/ 3,478-3,576 w/ 30,000 gals of LO + 40,500# 20-40 Sd + 3,000# 12-20 Beads Sd Conc: 1-1/2 ppg, Bead Conc: 1 ppg. FRMBRKDOWN: 2200#, Pmax: 4000#, Pmin: 3500# ISIP: 2000# AIR: 33 BPM
- 10/22/66 I P 'd: 212 BOPD, 5 BWPD, 108 MCFPD
- 2/12/71 Well was Converted f/ Production to Water Injection. POOH w/ Rod Pump, Rods & Tbg. Ran 111 jts(3,409') of 2-3/8", 4.7#, J-55, EUE, 8rd, PCID Tbg w/ Johnston PC Ten Pkr. SPA 3,400'. Load Annulus w/ 58 bbls of Pkr Fluid. Start Wtr Inj on 9/23/72 in accordance with NMOCD Order # 3867-B, Dated: 8/7/72. Well Name has changed to CATO Baskett Pressure Maintenance Project # 2
- 5/17/83 Change of Ownership: Apollo Energy of Hobbs, NM bought the well.
- 2/2/88 Change of Ownership: Kelt Oil & Gas of Roswell, NM bought the well.
- 03/08/90 Well Name has changed to CATO San Andres Unit # 23
- 05/14/90 Well is Reclassified as a SWD by NMOCD Order # R-9029
- 11/01/95 Change of Ownership: Secondary Oil Corp. of Marble Falls, TX bought the well.
- 12/01/97 Change of Ownership: Seirra Blanca Operating Co. of Cleburne, TX bought the well.
- 06/01/99 Change of Ownership: UHC New Mexico Corp. of Cleburne, TX bought the well.
- 10/2/02 Checked Well - Swab will not go below 800' (Scale & Rust).
- 12/27/05 Lothian Oil Bought the Well.

LOTHIAN OIL, INC.

CONDITION OF HOLE

INJECTION WELL

3/28/06

FIELD: Cato San Andres LEASE: Cato San Andres Unit WELL NO: 26

LEGAL: 1980' FNL & 1980' FEL, Unit G, Sec. 11, T-8-S, R-30-E, NMPM, Chaves County, NM

API No.: 30-005-10514 SPUD DATE: 09/07/66

STATE LEASE No.: COMPLETION DATE: 09/18/66

REASON FOR WORK: To increase water injection.

CONDITION OF HOLE:

TOTAL DEPTH: 3,605' PBTD: 3,582' KB DATUM: 9.5' Above: 4,167'-KB

CASING RECORD:

16 jts (447') of 8-5/8", 24#, J-55, 8rd, ST&C Surf Csg. Set Csg at 453'.
114 jts (3,612') of 4-1/2", 9.5#, J-55, 8rd, ST&C Prod Csg. Set Csg @ 3,605'.

PERFORATIONS: 3,456'-68', 78-80', 83-97' w/ 2-JSPF. A total of 28' Net Perfs & 56 Holes. P-1
3,534-48', 52-60', 67-69', 73-75' w/ 2-JSPF. A total of 26' Net Perfs & 52 Holes P-2

TUBING DETAIL: No Tbg in Well

Wellhead Model, Type & Rating:

Pumping Unit:

ROD & PUMP DETAIL:

Rod Pump:
Polish Rod:

Pol Rod Liner:

REGULATORY REQUIREMENTS:

WELL HISTORY:

9/7/66 Spud Well for Pan American Petrol. Corp. w/ Chico Drilling with 12-1/4" hole to 453'.

Original Well Name: Basket D # 1

Ran 16 jts (447') of 8-5/8", 24#, J-55, 8rd, ST&C Surf Csg. Set Csg at 453'.

Cmt'd w/ 300 sxs of Cl "C" Incor + 2% CaCl. Circ Cmt to Surf.

9/15/66 Drilled 7-7/8" Hole to TD @ 3,605'.

Ran 114 jts (3,612') of 4-1/2", 9.5#, J-55, 8rd, ST&C Prod Csg. Set Csg @ 3,605'.

Cmt'd w/ 500 sxs of Cl "C" Incor +12% Gel & Tailed w/ 300 sxs of Incor Neat.

TOC @ Unknown

9/17/66 Perf'd the P-1 f/ 3,456'-68', 78-80', 83-97' w/ 2-JSPF. A total of 28' Net Perfs & 56 Holes.
Perf'd the P-2 f/ 3,534-48', 52-60', 67-69', 73-75' w/ 2-JSPF. A total of 26' Net Perfs & 52 Holes.
Acidized the P-1 & P-2 f/ 3,456-3,575' w/ 2,000 gals of 15% LST-NE Acid. Drp'd 115 - 7/8" RCN BS f/ divert.
Pmax: 2100#, Pmin: 1200#, ISIP: 1100#, 8min: Vac AIR: 6.8 BPM.

9/18/66 I P'd: 360 BOPD, 0 BWPD, 240 MCFPD

2/13/71 Well was Converted f/ Production to Water Injection. POOH w/ Rod Pump, Rods & Tbg.
Ran 111 jts(3,400') of 2-3/8", 4.7#, J-55, EUE, 8rd, PCID Tbg w/ Johnston PC Ten Pkr. SPA 3,391'.
Load Annulus w/ 37 bbls of Pkr Fluid. Start Wtr Inj on 9/23/72 in accordance with NMOCD Order # 3867-B,
Dated: 8/7/72. Well Name has changed to CATO Baskettt Pressure Maintenance Project # 1

12/12/71 Acidize P-1 & P-2 as Follows: Set Pkr @ 3,514'(Between 2 Zones), Acidize P-1 Dwn Annulus w/ 1,500 gals &
1,125# Benzoic Acid Flakes. Flake Concen: 1/2 - 1 ppg. Pmax: 2500#, Acidize P-2 Dwn Tbg w/ 3,000 gals of
15% Suspending Acid. Pmax: 2400#, Pmin: 2000#, ISIP: 1500#, AIR: 3.1 BPM

5/17/83 Change of Ownership: Apollo Eneregy of Hobbs, NM bought the well.

2/2/88 Change of Ownership: Kelt Oil & Gas of Roswell, NM bought the well.

03/08/90 Well Name has changed to CATO San Andres Unit # 26

05/14/90 Well is Reclassified as a SWD by NMOCD Order # R-9029

05/18/95 Hole in Csg +/-600'. POH & LD Pkr & Tbg.

11/01/95 Change of Ownership: Secondary Oil Corp. of Marble Falls, TX bought the well.

12/01/97 Change of Ownership: Seirra Blanca Operating Co. of Cleburne, TX bought the well.

06/01/99 Change of Ownership: UHC New Mexico Corp. of Cleburne, TX bought the well.

12/27/05 Lothian Oil Bought the Well.

LOTHIAN OIL, INC.

CONDITION OF HOLE

INJECTION WELL

3/28/06

FIELD: Cato San Andres LEASE: Cato San Andres Unit WELL NO: 32

LEGAL: 1980' FNL & 660' FWL, Unit E, Sec. 10, T-8-S, R-30-E, NMPM, Chaves County, NM

API No.: 30-005-10522 SPUD DATE: 09/26/66

STATE LEASE No.: COMPLETION DATE: 10/17/66

REASON FOR WORK: To increase water injection.

CONDITION OF HOLE:

TOTAL DEPTH: 3,410' PBTD: 3,388' KB DATUM: 9.5' Above: 4,071'-KB

CASING RECORD:

14 jts of 8-5/8", 24#, J-55, 8rd, ST&C Surf Csg. Set Csg at 458'.
108 jts of 4-1/2", 9.5#, J-55, 8rd, ST&C Prod Csg. Set Csg @ 3,410'.

PERFORATIONS:

3,261'-88', 3,331-36', 42-46', 53-80' w/ 2-JSPF. A total of 43' Net Perfs & 86 Holes.

TUBING DETAIL: No Tbg in Well

Wellhead Model, Type & Rating:

Pumping Unit:

ROD & PUMP DETAIL:

Rod Pump:

Polish Rod:

Pol Rod Liner:

REGULATORY REQUIREMENTS:

WELL HISTORY:

9/26/66 Spud Well for Pan American Petrol. Corp. w/ Cactus Drilling with 12-1/4" hole to 458'.

Original Well Name: Queen # 2

Ran 14 jts of 8-5/8", 24#, J-55, 8rd, ST&C Surf Csg. Set Csg at 458'.

Cmt'd w/ 300 sxs of Cl "C" Incor + 2% CaCl. Circ Cmt to Surf.

10/3/66 Drilled 7-7/8" Hole to TD @ 3,410'.

Ran 108 jts of 4-1/2", 9.5#, J-55, 8rd, ST&C Prod Csg. Set Csg @ 3,410'.

Cmt'd w/ 500 sxs of Cl "C" Incor +12% Gel & Tailed w/ 300 sxs of Incor Neat.

TOC @ Unknown

10/7/66 Perfd the P-2 f/ 3,261'-88', 3,331-36', 42-46', 53-80' w/ 2-JSPF. A total of 43' Net Perfs & 86 Holes. Acidized the P-2 f/ 3,261-3,380' w/ 2,000 gals of 15% LST-NE Acid. Drp'd 130 RCN BS f/ divert. Pmax: 2650#, Pmin: 1500#, ISIP: 2000#, AIR: 4 BPM.

10/9/66 Frac the P-2 f/ 3,261-3,380 w/ 30,000 gals of LO + 40,500# Sd + 3,000# Glass Beads Sd Conc: 1-1/2 ppg, Bead Conc: 1 ppg. Pmax: 4000#, Pmin: 3800#, ISIP: 2850#

10/17/66 I P 'd: 95 BOPD, 1 BWPD, 20 MCFPD

5/17/83 Change of Ownership: Apollo Eneregy of Hobbs, NM bought the well.

6/27/83 Pump chemical Sqz w/ HOWCO's C-Dex.Pump 295 gals of C-Dex Dwn Csg + 500 gals of 28% Acid + 3 gals of marflo + 2 gals of Musol.

2/2/88 Change of Ownership: Kelt Oil & Gas of Roswell, NM bought the well.

03/08/90 Well Name has changed to CATO San Andres Unit # 32

8/10/90 Well was Converted f/ Production to Water Injection. POOH w/ Rod Pump, Rods & Tbg. Ran 104 jts of 2-3/8", 4.7#, J-55, EUE, 8rd, PCID Tbg w/ Johnston PC Ten Pkr. SPA 3,212'. Load Annulus w/ 31 bbls of Pkr Fluid. Start Wtr Inj on 8/11/90 in accordance with NMOCD Order # 9029, Dated: 10/30/89.

5/9/95 Unset Pkr. POOH & LD Pkr & Tbg. Close well In.

11/01/95 Change of Ownership: Secondary Oil Corp. of Marble Falls, TX bought the well.

12/01/97 Change of Ownership: Seirra Blanca Operating Co. of Cleburne, TX bought the well.

06/01/99 Change of Ownership: UHC New Mexico Corp. of Cleburne, TX bought the well.

10/02/02 Lose Fluid coming OOH w/ Swab. Possible Hole in Csg.

12/27/05 Lothian Oil Bought the Well.

LOTHIAN OIL, INC.

CONDITION OF HOLE

INJECTION WELL

3/27/06

FIELD: Cato San Andres LEASE: Cato San Andres Unit WELL NO: 51

LEGAL: 1980' FSL & 700' FEL, Unit I, Sec. 11, T-8-S, R-30-E, NMPM, Chaves County, NM

API No.: 30-005-10539 SPUD DATE: 11/02/66

STATE LEASE No.: COMPLETION DATE: 11/24/66

REASON FOR WORK: To increase water injection.

CONDITION OF HOLE:

TOTAL DEPTH: 3,668' PBDT: 3,647' KB DATUM: _____ Above: 4,168'-KB

CASING RECORD:

16 jts (451') of 8-5/8", 24#, J-55, 8rd, ST&C Surf Csg. Set Csg at 458'.
116 jts (3,676') of 4-1/2", 9.5#, J-55, 8rd, ST&C Prod Csg. Set Csg @ 3,668'.

PERFORATIONS:

3,514'-57' w/ 2-JSPF. A total of 43' Net Perfs & 86 Holes. P-1
3,584'-3,628' w/ 2-JSPF. A total of 44' Net Perfs & 88 Holes. P-2

TUBING DETAIL: No Tbg in Well

Wellhead Model, Type & Rating:

Pumping Unit:

ROD & PUMP DETAIL:

Rod Pump:
Polish Rod:

Pol Rod Liner:

REGULATORY REQUIREMENTS:

WELL HISTORY:

11/2/66 Spud Well for Pan American Petrol. Corp. w/ Chico Drilling with 12-1/4" hole to 458'.

Original Well Name: Basket D # 4

Ran 16 jts (451') of 8-5/8", 24#, J-55, 8rd, ST&C Surf Csg. Set Csg at 458'.

Cmt'd w/ 300 sxs of Cl "C" Incor + 2% CaCl. Circ Cmt to Surf.

11/14/66 Drilled 7-7/8" Hole to TD @ 3,668'.

Ran 116 jts (3,676') of 4-1/2", 9.5#, J-55, 8rd, ST&C Prod Csg. Set Csg @ 3,668'.

Cmt'd w/ 500 sxs of Cl "C" Incor +12% Gel & Tailed w/ 300 sxs of Incor Neat.

TOC @ Unknown

11/17/66 Perf'd the P-2 f/ 3,584'-3,628' w/ 2-JSPF. A total of 44' Net Perfs & 88 Holes.
Acidized the P-2 f/ 3,584-3,628' w/ 2,000 gals of 15% DS-30 Acid. Drp'd 100 7/8" RCN BS f/ divert.
Pmax: 3300#, Pmin: 2700#, ISIP: 2600#, AIR: 2.2 BPM.

11/21/66 Frac the P-2 f/ 3,584-3,628' w/ 30,000 gals of Gelled Brine + 15,000# Sd + 3,000# Glass Beads.
Sd Concn: 1/2 ppg. Pmax: 3900#, Pmin: 3500#, ISIP: 2200#, AIR: 43 BPM

11/28/66 I P 'd: 56 BOPD, 42 BWPD, 0 MCFPD

12/1/66 Perf'd the P-1 f/ 3,514'-57' w/ 2-JSPF. A total of 43' Net Perfs & 86 Holes.
Acidized the P-1 f/ 3,514-57' w/ 3,000 gals of 28% DS-30 Acid.
Pmax: 4200#, Pmin: 1000#, ISIP: 1800#, 15min: Vac AIR: 7.6 BPM.

11/17/69 Well was Converted f/ Production to Water Injection. POOH w/ Rod Pump, Rods & Tbg.
Ran 114 jts(3,509') of 2-3/8", 4.7#, J-55, EUE, 8rd, PCID Tbg w/ Johnston PC Ten Pkr. SPA 3,400'.
Load Annulus w/ 58 bbls of Pkr Fluid. Start Wtr Inj on 9/23/72 in accordance with NMOCD Order # 3867-B,
Dated: 8/7/72. Well Name has changed to CATO Baskett Pressure Maintenance Project # 4

2/19/70 Acidize the P-1 & P-2 w/ 1,000 gals of 15% Suspending Acid.
Pmax: 1850#, Pmin: 1700#, ISIP: 1800#, AIR: 1 BPM.

5/17/83 Change of Ownership: Apollo Eneregy of Hobbs, NM bought the well.

2/2/88 Change of Ownership: Kelt Oil & Gas of Roswell, NM bought the well.

03/08/90 Well Name has changed to CATO San Andres Unit # 51

05/14/90 Well is Reclassified as a SWD by NMOCD Order # R-9029

11/01/95 Change of Ownership: Secondary Oil Corp. of Marble Falls, TX bought the well.

12/01/97 Change of Ownership: Seirra Blanca Operating Co. of Cleburne, TX bought the well.

06/01/99 Change of Ownership: UHC New Mexico Corp. of Cleburne, TX bought the well.

12/27/05 Lothian Oil Bought the Well.

LOTHIAN OIL, INC.

CONDITION OF HOLE

INJECTION WELL

3/27/06

FIELD: Cato San Andres LEASE: Cato San Andres Unit WELL NO: 54

LEGAL: 660' FSL & 1980' FEL, Unit O, Sec. 11, T-8-S, R-30-E, NMPM, Chaves County, NM

API No.: 30-005-10528 SPUD DATE: 10/09/66

STATE LEASE No.: COMPLETION DATE: 10/23/66

REASON FOR WORK: To increase water injection.

CONDITION OF HOLE:

TOTAL DEPTH: 3,644' PBD: 3,616' KB DATUM: _____ Above: 4,150'-KB

CASING RECORD:

16 jts (452') of 8-5/8", 24#, J-55, 8rd, ST&C Surf Csg. Set Csg at 459'.
114 jts (3,652') of 4-1/2", 9.5#, J-55, 8rd, ST&C Prod Csg. Set Csg @ 3,644'.

PERFORATIONS:

3,500'-06', 3,510-16', 3,518-30' w/ 2-JSPF. A total of 24' Net Perfs & 48 Holes. P-1
3,564'-3,610' w/ 2-JSPF. A total of 46' Net Perfs & 92 Holes. P-2

TUBING DETAIL: No Tbg in Well

Wellhead Model, Type & Rating:

Pumping Unit:

ROD & PUMP DETAIL:

Rod Pump:

Polish Rod:

Pol Rod Liner:

REGULATORY REQUIREMENTS:

WELL HISTORY:

10/9/66 Spud Well for Pan American Petrol. Corp. w/ Chico Drilling with 12-1/4" hole to 459'.

Original Well Name: Basket D # 3

Ran 16 jts (452') of 8-5/8", 24#, J-55, 8rd, ST&C Surf Csg. Set Csg at 459'.

Cmt'd w/ 300 sxs of Cl "C" Incor + 2% CaCl. Circ Cmt to Surf.

10/19/66 Drilled 7-7/8" Hole to TD @ 3,644'.

Ran 114 jts (3,652') of 4-1/2", 9.5#, J-55, 8rd, ST&C Prod Csg. Set Csg @ 3,644'.

Cmt'd w/ 500 sxs of Cl "C" Incor +12% Gel & Tailed w/ 300 sxs of Incor Neat.

TOC @ Unknown

10/21/66 Perf'd the P-2 f/ 3,564'-3,610' w/ 2-JSPF. A total of 46' Net Perfs & 92 Holes.
Acidized the P-2 f/ 3,564-3,610' w/ 2,000 gals of 15% LST-NE Acid. Drp'd 100 7/8" RCN BS f/ divert.
Pmax: 2700#, Pmin: 1800#, ISIP: 1300#, 15min: Vac, AIR: 5.6 BPM.

10/21/66 I P 'd: 280 BOPD, 0 BWPD, 174 MCFPD

9/24/72 Perf'd the P-1 f/ 3,500'-06', 3,510-16', 3,518-30' w/ 2-JSPF. A total of 24' Net Perfs & 48 Holes.
Perf'd w/ 3-1/8", 0.49" Dia, 2-JSPF Csg Guns.
Acidized the P-1 f/ 3,500-30' w/ 1,000 gals of 15% LST-NE Acid.
FRMBRKDOWN: 550#, Pmax: 2400#, Pavg: 2250#, ISIP: 700#, 1min: Vac AIR: 5.6 BPM.

9/25/72 Well was Converted f/ Production to Water Injection. POOH w/ Rod Pump, Rods & Tbg.
Ran 114 jts of 2-3/8", 4.7#, J-55, EUE, 8rd, PCID Tbg w/ Johnston PC Ten Pkr. SPA 3,450'.
Load Annulus w/ 58 bbls of Pkr Fluid. Start Wtr Inj on 9/23/72 in accordance with NMOCD Order # 3867-B,
Dated: 8/7/72. Well Name has changed to CATO Baskett Pressure Maintenance Project # 3

11/22/76 HIT. Pkr Coupling Broke. Push Johnston Ten Pkr to PBTD. Ran new 4-1/2" Johnston Ten Pkr to 3,426'.

5/17/83 Change of Ownership: Apollo Energy of Hobbs, NM bought the well.

2/2/88 Change of Ownership: Kelt Oil & Gas of Roswell, NM bought the well.

03/08/90 Well Name has changed to CATO San Andres Unit # 54

05/14/90 Well is Reclassified as a SWD by NMOCD Order # R-9029

11/01/95 Change of Ownership: Secondary Oil Corp. of Marble Falls, TX bought the well.

12/01/97 Change of Ownership: Seirra Blanca Operating Co. of Cleburne, TX bought the well.

06/01/99 Change of Ownership: UHC New Mexico Corp. of Cleburne, TX bought the well.

12/27/05 Lothian Oil Bought the Well.

<p>31</p> <p>Moon Co. Tr. C. Chamberlain, et al Ganado, Inc. (S)</p>	<p>32</p> <p>C.A. Jones R.W. Vorhees, et al Chisos Ltd. 1/4 Thelma Crosby, et al</p>	<p>33</p> <p>Phillip Ernst H.D. Blake, Jr., et al</p>	<p>34</p> <p>PanAmer. U.S. Smelt. U.S. 7,29.69 DA 7,29.69</p>	<p>35</p> <p>065 Oper. 1-Y. 1-1 "D.J. Fee" U.S. 103609</p>	<p>36</p> <p>Martindale Sun-3 Menzana Sun-3 Sola-Fed. Ganado, Inc. (S) NEW Ent. (Coronado Exp) "N.M. St State Sun-St</p>	<p>37</p> <p>Chisos Ltd. 1/4 Ganado, Inc. (S) M.E. Yates 12 M.I. Chisos (Ltd. 1/4 M.I.) H.E. Yates 12 M.I.</p>	<p>38</p> <p>UHC N.M. Corp. (BF Amer.) "Barhyte" GLM Oils M.I. J. Grimm, et al Ganado, Inc. (S)</p>	<p>39</p> <p>UHC N.M. Corp. "Cato-State" UHC N.M. Corp. K-3754 MWJ Prod. G. Street, et al K-3764</p>	<p>40</p> <p>UHC N.M. Corp. "Cato-State" UHC N.M. Corp. K-3754 MWJ Prod. G. Street, et al K-3764</p>
<p>41</p> <p>C. Chamberlain, et al Ganado, Inc. (S)</p>	<p>42</p> <p>Chisos Ltd. 1/4 Thelma Crosby, et al</p>	<p>43</p> <p>UHC N.M. Corp. (BF Amer.) "Barhyte" GLM Oils M.I. J. Grimm, et al Ganado, Inc. (S)</p>	<p>44</p> <p>UHC N.M. Corp. "Cato-State" UHC N.M. Corp. K-3754 MWJ Prod. G. Street, et al K-3764</p>	<p>45</p> <p>UHC N.M. Corp. "Cato-State" UHC N.M. Corp. K-3754 MWJ Prod. G. Street, et al K-3764</p>	<p>46</p> <p>UHC N.M. Corp. "Cato-State" UHC N.M. Corp. K-3754 MWJ Prod. G. Street, et al K-3764</p>	<p>47</p> <p>UHC N.M. Corp. "Cato-State" UHC N.M. Corp. K-3754 MWJ Prod. G. Street, et al K-3764</p>	<p>48</p> <p>UHC N.M. Corp. "Cato-State" UHC N.M. Corp. K-3754 MWJ Prod. G. Street, et al K-3764</p>	<p>49</p> <p>UHC N.M. Corp. "Cato-State" UHC N.M. Corp. K-3754 MWJ Prod. G. Street, et al K-3764</p>	<p>50</p> <p>UHC N.M. Corp. "Cato-State" UHC N.M. Corp. K-3754 MWJ Prod. G. Street, et al K-3764</p>

#26

UHC N.M. CORP. (OPER.)
CATO 16(SA) UT.

18

Ruth
Crosby
et al

polo
18P
847

LOTHIAN OIL, INC.

CATO SAN ANDRES UNIT

WELLS WITHIN A 1/2 MILE CIRCLE OF CAPTIONED INJECTION WELL

WELL#	
21	3, 5, 6, 7, 8, 19, 20, 22, 23, 25, 26, 27, 28, 29, 49, 50
23	3, 6, 21, 22, 24, 25, 26, 27, 50, 51
26	3, 6, 20, 21, 22, 23, 24, 25, 27, 28, 49, 50, 51, 54, 55
32	15, 16, 17, 18, 30, 31, 33, 34, 43, 44, 45, 46, 47, 59, 60, 61, 330
51	22, 23, 24, 25, 26, 27, 50, 52, 53, 54, 55, 80, 81, 82
54	26, 27, 49, 50, 51, 52, 53, 55, 56, 78, 79, 80, 81, 82, 84, 85, 86
21	P & A'd WELLS: 3 2/13/1975 INACTIVE WELLS: 22, 25, 27, 28, 29, 49, 50 - NO PROD. SINCE 2003 PROD. WELLS: 5, 6, 7, 8, 19, 20, INJECT. WELLS: 23, 26
23	P & A'd WELLS: 3 2/13/1975 INACTIVE WELLS: 22, 24, 25, 27, 50 - NO PROD. SINCE 2003 PROD. WELLS: 6 INJECT. WELLS: 21, 26, 51
26	P & A'd WELLS: 3 2/13/1975 INACTIVE WELLS: 22, 24, 25, 27, 28, 49, 50, 55 - NO PROD. SINCE 2004 PROD. WELLS: 6, 20 INJECT. WELLS: 21, 23, 51, 54
32	P & A'd WELLS: INACTIVE WELLS: 15, 17, 18, 30, 31, 34, 45, 46, 47, 59, 60, 61 - NO PROD. SINCE 2003 PROD. WELLS: 33, 43, (330 - DRILLED IN DEC. 2000 - ATTACHED WBD.) INJECT. WELLS: 16, 44,

51 P & A'd WELLS:

INACTIVE WELLS: 22, 24, 25, 27, 50, 52, 53, 55, 80, 82 - NO PROD. SINCE 2004

PROD. WELLS:

INJECT. WELLS: 23, 26, 54, 81

54 P & A'd WELLS:

INACTIVE WELLS: 27, 49, 50, 52, 53, 55, 56, 78, 80, 82, 84, 85, 86 - NO PROD. SINCE 2004

PROD. WELLS:

INJECT. WELLS: 26, 51, 79, 81

LOTHIAN OIL, INC.

CATO SAN ANDRES UNIT

INJECTION WELLS

WELL #	API#	NMOC ORDER #	LEGAL DESCRIPTION	P-1	PERFS P-2	P-3	PKR. DEPTH	TUBING DETAILS
21	30-005-20069	R-3867-B	660' FNL & 1980' FWL, Unit C, Sec. 11, T-8-S, R-30-E, NMPM, Chaves County, NM	3,383-92', 3,403-26', 54-77'			NONE	NO TUBING IN WELL
23	30-005-10523	R-3867-B	660' FNL & 660' FEL, Unit A, Sec. 11, T-8-S, R-30-E, NMPM, Chaves County, NM	3,478-82', 3,499-3,518', 44-68', 73-76'			NONE	NO TUBING IN WELL
26	30-005-10514	R-3867-B	1980' FNL & 1980' FEL, Unit G, Sec. 11, T-8-S, R-30-E, NMPM, Chaves County, NM	3,456-68', 78-80', 83-97'	3,534-48', 52-60', 67-69', 73-75'		NONE	NO TUBING IN WELL
32	30-005-10522	R-9029	1980' FNL & 660' FWL, Unit E, Sec. 10, T-8-S, R-30-E, NMPM, Chaves County, NM	3,261-88', 3,331-36', 42-46', 53-80'			NONE	NO TUBING IN WELL
51	30-005-10539	R-3867-B	1980' FSL & 700' FEL, Unit I, Sec. 11, T-8-S, R-30-E, NMPM, Chaves County, NM	3,514-57'	3,584'-3,628'		NONE	NO TUBING IN WELL
54	30-005-10528	R-3867-B	660' FSL & 1980' FEL, Unit O, Sec. 11, T-8-S, R-30-E, NMPM, Chaves County, NM	3,500-06', 3,510-16', 3,518-30'	3,564'-3,610'		NONE	NO TUBING IN WELL