

**HOBBS UPPER BLINEBRY COOPERATIVE
WATERFLOOD PROJECT APPLICATION FOR THE
RECOVERED OIL TAX RATE PURSUANT TO THE ENHANCED OIL
RECOVERY ACT
LEA COUNTY, NEW MEXICO**

A. OPERATORS NAME AND ADDRESS

Texland Petroleum-Hobbs, L.L.C.
777 Main Street, Suite 3200
Fort Worth, Texas 76102

Apache Corporation
2000 Post Oak Blvd. Suite 100
Houston, Texas 77056

Occidental Permian Limited Partnership
P. O. Box 4294
Houston, Texas 77210

B. DESCRIPTION OF THE PROJECT AREA INCLUDING:

- (1) A plat outlining the project area is attached.
- (2) A description of the project area by Section, Township and Range.

TOWNSHIP 18 SOUTH, RANGE 38 EAST, NMPM

SECTION 28: SW/4 (160 ac)

**SECTION 29: SW/4 (160 ac), S/2 SE/4 (80 ac), NW/4 SE/4 (40 ac)
SW/4 NW/4 (40 ac), S/2 NW/4 NW/4 (20 ac)**

SECTION 30: SE/4 (160 ac), S/2 NE/4 (80 ac)

SECTION 31: NE/4 NE/4 (40 ac)

SECTION 32: N/2 (320 ac), SW/4 (160 ac)

**SECTION 33: NW/4 (160 ac), N/2 NE/4 (80 ac) SE/4 NE/4 (40 ac)
NE/4 SE/4 (40 ac)**

- (3) Total acres in project area: 1580 acres
- (4) Name of the subject pool and formation:
Hobbs-Upper Blinebry Pool

C. STATUS OF OPERATIONS IN THE PROJECT AREA

- (1) If not unitized identify each lease in the project area by Lessor, Lessee, and legal description

<u>OPERATOR</u>	<u>LEASE NAME</u>	<u>DESCRIPTION in T-18-S, R-38-E</u>
Texland Petroleum-Hobbs L.L.C.	W. D. Grimes	SW/4 Sec. 28
Texland Petroleum-Hobbs L.L.C.	State B	N/2 NW/4 Sec. 33
Texland Petroleum-Hobbs L.L.C.	State G	S/2 NW/4 Sec. 33
Texland Petroleum-Hobbs L.L.C.	Fowler	NE/4 NE/4 Sec. 31
Texland Petroleum-Hobbs L.L.C.	Bowers "A" Federal	SE/4 Sec. 30, W/2 SW/4 Sec. 29, SW/4 NW/4 Sec. 29, S/2 NW/4 NW/4 Sec. 29
Texland Petroleum-Hobbs L.L.C.	McKinley	S/2 NE/4 Sec. 30
Texland Petroleum-Hobbs L.L.C.	State A 29	E/2 SW/4 Sec. 29
		NW/4 SE/4 Sec. 29
Texland Petroleum-Hobbs L.L.C.	State 1-29	S/2 SE/4 Sec. 29
Texland Petroleum-Hobbs L.L.C.	Grimes, W.D.NCT-A	W/2 Sec. 32
Texland Petroleum-Hobbs L.L.C.	Grimes, W.D. NCT-B	N/2 NE/4 Sec. 33, SE/4 NE/4 Sec. 33
		NE/4 SE/4 Sec. 33
Apache Corporation	State A	N/2 NE/4 Sec. 32
Occidental Permian LTD	Shell State A	S/2 NE/4 Sec. 32

D. METHOD OF RECOVERY TO BE USED

- (1) Identify fluids to be injected.
Produced water from Blinbry, Drinkard, & Queen Formations
Fresh water from the Ogallala Formation
- (2) If the project has not been approved by the division, provide the date the Application for Approval was filed with the division on Form C-108: April 23, 2001.

E. DESCRIPTION OF THE PROJECT

- (1) A list of producing wells

<u>OPERATOR</u>	<u>LEASE AND WELL NAME</u>
Texland Petroleum- Hobbs L.L.C.	Bowers A Federal 29
Texland Petroleum -Hobbs L.L.C.	Bowers A Federal 38
Texland Petroleum -Hobbs L.L.C.	State A 29 #7
Texland Petroleum-Hobbs L.L.C.	Grimes, W.D. NCT-A 17
Texland Petroleum-Hobbs L.L.C.	Grimes, W.D. NCT-A 18
Texland Petroleum-Hobbs, L.L.C.	Grimes, W.D. NCT-B 7
Texland Petroleum-Hobbs, L.L.C.	Grimes, W.D. NCT-B 9
Occidental Permian LTD	Shell State A 6

(2) List of Injection Wells (Proposed to be drilled)

<u>OPERATOR</u>	<u>LEASE AND WELL NAME</u>	
Texland Petroleum – Hobbs L.L.C.	Bowers A Federal	39
Texland Petroleum – Hobbs L.L.C.	Bowers A Federal	40
Texland Petroleum – Hobbs L.L.C.	Bowers A Federal	41
Texland Petroleum – Hobbs L.L.C.	Bowers A Federal	42
Texland Petroleum – Hobbs L.L.C.	Bowers A Federal	43
Texland Petroleum – Hobbs L.L.C.	Grimes A	21
Texland Petroleum – Hobbs L.L.C.	Grimes A	22
Texland Petroleum – Hobbs L.L.C.	Grimes A	23
Texland Petroleum – Hobbs L.L.C.	Grimes A	24
Texland Petroleum – Hobbs L.L.C.	Grimes A	25
Texland Petroleum – Hobbs L.L.C.	State 1-29	7
Texland Petroleum – Hobbs L.L.C.	State 1-29	8
Texland Petroleum – Hobbs L.L.C.	State 1-29	9
Texland Petroleum – Hobbs L.L.C.	State A	8
Texland Petroleum – Hobbs L.L.C.	State A-29	10

(3) Capital Cost of Additional Facilities: \$1,080,000

(4) Total Project Cost: \$5,800,000

(5) The estimated value of the additional production- that will be recovered as a result of this project:
\$96,000,000

(6) Anticipated date for commencement of injection: October 1, 2001

(7) The type of fluid to be injected and the anticipated volumes:
15,000 BPD Total of Fresh and Produced Water

(8) Production Data; See attached Production History and Production Forecast of Oil, Casinghead Gas and Water from the Project Area

