

PADILLA & SNYDER

ATTORNEYS AT LAW

200 W. MARCY, SUITE 212

P.O. BOX 2523

SANTA FE, NEW MEXICO 87504-2523

ERNEST L. PADILLA  
MARY JO SNYDER

FAX 988-7592  
AREA CODE 505

(505) 988-7577

February 27, 1990

**RECEIVED**

HAND-DELIVERED

*PPW*

FEB 27 1990

OIL CONSERVATION DIV.  
SANTA FE

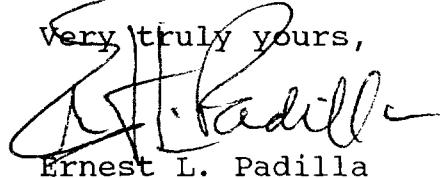
William J. LeMay, Director  
Oil Conservation Division  
310 Old Santa Fe Trail  
Santa Fe, New Mexico 87501

Re: In the Matter of the Application  
of Siete Oil & Gas Corporation for  
Waterflood Project, Sackett Federal  
Well No. 2, Eddy County, New Mexico

Dear Mr. LeMay:

Enclosed for filing, in triplicate, please find the above-referenced Application. We request a hearing before the Oil Conservation Division at its next scheduled hearing date of March 21, 1990.

Very truly yours,

  
Ernest L. Padilla

ELP:pmc

Enclosures as stated

cc (w/enclosures): Siete Oil & Gas Corporation

**RECEIVED**

FEB 27 1990

OIL CONSERVATION DIV.  
SANTA FE

BEFORE THE OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION OF  
SIETE OIL & GAS CORPORATION FOR  
WATERFLOOD PROJECT, EDDY COUNTY,  
NEW MEXICO

CASE NO.

*9897*

APPLICATION FOR WATERFLOOD PROJECT

Applicant states:

1. That Applicant seeks authority to institute a waterflood project within the Yates, 7-Rivers, Queen, Penrose, Grayburg, San Andres pool by the injection of water through the Sackett Federal Well No. 2, located 660' FSL, 1650' FWL, of Section 29, Township 17 South, Range 29 East, Eddy County, New Mexico.

2. That the horizontal limits of the waterflood project shall include the following described lands in Eddy County, New Mexico:

Township 17 South, Range 29 East,  
Section 29: S/2SW/4, SW/4SE/4

3. The producing formations in the proposed project area are in an advanced stage of depletion and the area is suitable for waterflooding.

4. That attached hereto and made a part of this application is a Form C-108, together with its information requirement.

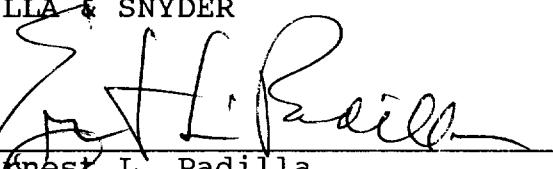
5. The proposed waterflood project should result in the recovery of otherwise unrecoverable oil, thereby preventing waste and should otherwise protect correlative rights.

WHEREFORE, Applicant requests that the application be granted in its entirety, and for such other and proper relief as the Division deems proper and appropriate.

Respectfully submitted,

PADILLA & SNYDER

By:

  
Ernest L. Padilla  
P. O. Box 2523  
Santa Fe, New Mexico 87504-2523  
(505) 988-7577

ATTORNEYS FOR APPLICANT

## APPLICATION FOR AUTHORIZATION TO INJECT

- I. Purpose:  Secondary Recovery  Pressure Maintenance  Disposal  Storage  
Application qualifies for administrative approval?  yes  no

II. Operator: Siete Oil and Gas Corporation

Address: P. O. Box 2523 Roswell, New Mexico 88202-2523

Contact party: Robert S. Lee Phone: 505-622-2202

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 \_\_\_\_\_.

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 geological data on the injection zone including appropriate lithologic detail, geological 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 source 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 source 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: Robert S. Lee Title Senior Reservoir Engineer

Signature: Robert S. Lee Date: February 1, 1990

\* If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be duplicated and resubmitted. Please show the date and circumstance of the earlier submittal.

SIETE OIL & GAS CORPORATION  
CURRENT

WELL: Sackett Federal No. 2  
FIELD: Grayburg-Jackson  
INTERVAL: Ketex  
Comp: 1/14/86  
IP: 80 BOPD, 129 BWD, 100 MCFGPD (GOR 1250)  
API #: 30-015-25502  
LOCATION:  
660' FSL & 1650' FWL  
Section 29: T17S, R29E  
Eddy County, N.M.  
Spudded 12 1/2" hole on 12/13/85

ELEVATION: 3590' KB  
ZERO: 8' AGL  
|||||  
TOPS |||||  
---- <||| |> SURFACE CASING-ran 9 jts. 8 5/8" J-55 @ 350' KB  
1. Grayburg- ||||| cement w/400 sks. HE w/2% CaCl - circ.  
Jackson 2304'  
|||  
|||  
|||  
|||<-Perf 2304'-2566' (26 shots) w/1500 gals. 15% acid  
|||  
||| Resqueeze 2304'-2314' w/100 sks. Class "C"  
||| 2% CaCl & 50 sks. "C" neat  
EQUIPMENT IN HOLE ||| Zones - 2381'-2386' & 2418'-2428'  
|||  
1. American 114 PJ |||| PRESENT COMPLETION INTERVAL  
2. 20 jts. 2 3/8" tbg. ||||  
3. RSP @ 2458'  
4. Lockset Packer @ 2458'  
\* <-Perf interval 2642'-3217' (32 shots) acidize  
\* w/10,000 gal 28% acid & 13,600 gal. 30# gelled  
\* <-H2O w/4000# 100 mesh and 4000# 20/40 sand in 10 stages  
| Frac premier zone (2527'-2566') 11 shots w/30,000 gal  
| 20# Crosslink w/4000# 100 mesh, 40,000#  
| 20/40 sand & 16,000# 12/20 sand.  
|  
|  
|  
Seat Nipple @ 3219' |++|  
<\_\_|> PRODUCTION CASING -ran 82 jts. 5 1/2" 15.5#  
| cement w/1000 sks. DL #3, 10# salt, 1/4#  
| celloflake, tail in w/300 sks. Class "C"  
| 50/50 POZ w/5# salt, circ.

TD: 3275'  
DRAWN BY: ARDEEN PBTD: 3232'  
DATE: JULY 15, 1988

Per Trico-Pump History  
Out 5/12/89 TS-328 2 x 1 1/2 x 16' RWTC 3' S/m TB D/V alloy 3/4" 1" 136  
In TS-1397- 2 x 1 1/2 x 16' RSTC TB w/52 ring 4 cup plgr. D/V alloy ball & seats  
no-prec. barrel, cages & trim, 3/4" 1" 138"

SIETE OIL & GAS CORPORATION  
PROPOSED

WELL: Sackett Federal No. 2

FIELD: Grayburg-Jackson

INTERVAL: Metex

Comp: 1/14/86

IP: 80 BOPD, 129 BWPD, 100 MCFGPD (GOR 1250)

API #: 30-015-25502

LOCATION:

660' FSL & 1650' FAL

Section 29: T17S, R29E

Eddy County, N.M.

Spudded 12 1/2" hole on 12/13/85

ELEVATION: 3590' KB

ZERO: 8' AGL

TOPS

----

1. Grayburg-  
Jackson 2304'

|||||

|||||

<|||> SURFACE CASING-ran 9 jts. 3 5/8" J-55 @ 350' KB

cm w/400 sks. HE w/2% CaCl - circ.

Baker Model AD-1 Packer  
@ 2600'

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PRESENT COMPLETION INTERVAL

\*<-Perf interval 2642'-2617' (32 shots) acidize

\* w/10,000 gal 20# acid & 13,600 gal. 30# gelled

\*<-H2O w/4000# 100 mesh and 4000# 20/40 sand in 10 stages

Frac premier zone (2527'-2566') 11 shots w/30,000 gal

20# Crosslink w/4000# 100 mesh, 40,000#

20/40 sand & 16,000# 12/20 sand.

<|> PRODUCTION CASING -ran 82 jts. 5 1/2" 15.5#"

cm w/1000 sks. DL #3, 10# salt, 1/4#

celloflake, tail in w/300 sks. Class "C"

50/50 POZ w/5# salt, circ.

TD: 3275'

DRAWN BY: ARDEEN

PBTD: 3232'

DATE: JULY 15, 1988

Per Trico-Pump History

SIEFF OIL & GAS CORPORATION

Sackett Federal No. 2 - Conversion to Injection

NMOCD Form C-108 Section III

III. Data on injection well (s)

A. Injection well information (see attached schematic)

Tabular Data

1. Lease: Sackett Federal

Well No.: 2

Location: 660' FSL & 1650' FWL  
Section 29: T-17-S, R-29-E  
Eddy County, New Mexico

2. Proposed Casing: 8 5/8" surface @ 350' w/400 sks.,  
circ. to surface  
5 1/2" production @ 3275' w/1000  
skls. circ. to surface.

3. Injection tubing: + or - 74 jts. 2 3/8", 4.7  
lb/ft., J-55 internally plastic  
coated tubing.

4. Packer: Baker Model AD-1 injection packer set @  
2300 feet.

B. Other well information

1. Injection formation: Yates-7 Rivers-Queen-Penrose-  
Grayburg-San Andres

Field: Grayburg-Jackson

2. Cased hole perforated interval is estimated to be  
from 2300' - 2570' (Queen), 2640' - 2710'  
(Penrose), 3190' - 3220' (Grayburg).
3. The Sackett Federal No. 2 well was originally  
drilled as an oil well.
4. Within the area of the Sackett Federal No. 2, there  
are no other higher productive formations.

## SACKETT WATERFLOOD PROJECT

WELL NAME	OPERATOR	LOCATION	TYPE OF WELL	SPUD DATE	CMPN. DATE	TD PBTD	COMPLETION INTERVAL	FORMATION	CASING PROGRAM
LEONARD ST. 1-29	ASHMUN	660' FSL 810' FEL SEC. 29 T17S R29E	P&A	7/7/60	9/12/60	6267	P&A		8 5/8 TO 1210' CMT. W/ 100 SX. 4 1/2 TO 6266' CMT. W/ 750 SX.
GREEN A-7	PHILLIPS	1980' FNL 330' FWL SEC. 29 T17S R29E	OIL	12/28/61	2/16/62	6390 6282 6295	T0 6291	ABO	8 5/8 TO 778' CMT. W/ 225 SX. 5 1/2 TO 6300' CMT. W/ 570 SX.
GREEN A-8	PHILLIPS	2310' FSL 330' FWL SEC. 29 T17S R29E	OIL	1/14/62	1/27/62	6294 6272 6284	T0 6280	ABO	8 5/8 TO 776' CMT. W/ 225 SX. 5 1/2 TO 6294' CMT. W/ 570 SX.
GREEN A-9	PHILLIPS	1650' FWL SEC. 29 T17S R29E	OIL	2/19/62	3/7/62	6289 6283 6289	T0 6289	ABO	8 5/8 TO 761' CMT. W/ 405 SX. 5 1/2 TO 6273' CMT. W/ 160 SX.
GREEN A-10	PHILLIPS	1980' FSL 1980' FWL SEC. 29 T17S R29E	OIL	3/10/62	6/15/76	11000 2306 2600	T0 2460	GRAYBURG	11 3/4 TO 333' CMT. W/ 300 SX. 8 5/8 TO 2674' CMT. W/ 300 SX.
SACKETT #1	SIETE	330' FWL 330' FSL SEC. 29 T17S R29E	OIL	12/31/84	2/1/85	3389 3323	T0 3146	GRAYBURG	8 5/8 TO 415' CMT. W/ 250 SX. 7 7/8 TO 3362' W/1050 SX
SACKETT #2	SIETE	660' FSL 1650' FWL SEC. 29 T17S R29E	OIL	12/13/85	1/14/86	3275 3232	T0 3217	METEX	8 5/8 TO 350' CMT. W/400 SX. 5 1/2 TO 3275' CMT. W/1000 SX
GREEN B-8	GN AMER.	330' FSL 2310' FWL SEC. 29 T17S 29E	P & A	4/6/59	5/15/59	2708	P & A		8 5/8 TO 353' W/125 SX.
ATSEL FED 2	JOHNSTON	1760' FSL 990' FEL SEC. 30 T17S R29E	OIL	4/16/65	6/16/65	2476 2470	T0 2433	GRAYBURG	8 5/8 TO 475' CMT. W/ 50 SX. 5 1/2 TO 2470' CMT. W/ 200 SX.
LEONARD FED #8	WESTERN D	1980' FSL 990' FEL SEC. 30 T17S R29E	OIL	10/18/61	11/14/61	6360 6347	T0 6266	ABO	8 5/8 @ 765' W/ 275 SX. 5 1/2 TO 2470' W/ 200 SX.
EMPIRE S.DP UN 11	AMOCO	1980' FNL 2130' FWL SEC. 32 T17S R29E	OIL	12/3/76	3/16/77	8800 8752	T0 8436	WOLFCAMP	13 3/8 TO 425' W/400 SX. 8 5/8 TO 2917' W/1225 SX. 5 1/2 TO 8798' W/350 SX.

## SACKETT WATERFLOOD PROJECT

WELL NAME	OPERATOR	LOCATION	TYPE OF WELL	SPUD DATE	COMP. DATE	ID PBTD	COMPLETION INTERVAL	FORMATION	CASING PROGRAM
LEONARD ST. 1	COLLIER	2310' FNL 990' FNL SEC. 32 T17S R29E	oil	11/17/61	2/22/62	2738 2738	2537 TO 2708	GRAYBURG	7 TO 2738' W/100 SX.
OLD LOCO UNIT 25	MARBOB	330' FNL 330' FNL SEC. 32 T17S R29E	oil	4/11/85	5/11/85	2830 2804	2347 TO 2617	GRAYBURG	8 5/8 TO 295' CMT. W/ 200 SX. 5 1/2 TO 2816' CMT. W/ 1000 SX
S. EMPIRE UNIT 4	MIDWEST	1980' FNL 2230' FEL SEC. 32 T17S R29E	oil	11/25/73	3/13/74	10950 8560	8449 TO 8522	WOLFCAMP	11 3/4 TO 399' W/400 SX. 8 5/8 TO 334' W/350 SX. 5 1/2 TO 8790' W/750 SX.
KERR MCGEE 1	COLLIER	2310' FNL 2310' FNL SEC. 32 T17S R29E	oil	10/15/58	12/20/58	2735 2717	2525 TO 2704	GRAYBURG	8 5/8 TO 327' W/50 SX. 4 1/2 TO 2727' W/160 SX.
KERR MCGEE 2	COLLIER	990' FNL 2310' FNL SEC. 32 T17S R29E	oil	1/24/59	2/25/59	2680 2671	2486 TO 2660	GRAYBURG	8 5/8 TO 326 W/25 SX. 5 1/2 TO 2680 W/100 SX.
KERR MCGEE 3	COLLIER	990' FNL 990' FNL SEC. 32 T17S R29E	oil	4/6/59	5/18/59	2790 2777	2490 TO 2655	GRAYBURG	8 5/8 TO 330' W/50 SX. 4 1/2 TO 2780 W/150 SX.
ST. S-32 #2	CONTINENT	1650' FNL 990' FEL SEC. 32 T17S R29E	oil	5/30/58	6/20/58	2730	2605 TO 2670	GRAYBURG	4 1/2 TO 2729' W/100 SX.
DURHAM ST. #1	KINCAID & WATSON	990 FNL 1980' FEL SEC. 32 T17S R29E	oil	4/4/58	5/16/58	2637 2632	2581 TO 2632	GRAYBURG	5 1/2 TO 2585' W/100 SX.
TEXAS GULF ST. #1	HILLER & SMITH	1980' FNL 1980' FEL SEC. 32 T17S R29E	oil	8/24/57	10/16/57	3100 2700	2502 TO 2987	GRAYBURG	8 5/8 TO 316' CMT. W/ 100 SX. 4 1/2 TO 3100' CMT. W/ 250 SX.



GENERAL AMERICAN

WELL: Green B-8  
FIELD: Grayburg-Jackson  
Spudded 4/6/59  
Dry & Abandoned; plugged 5/15/59

LOCATION:  
330' FSL & 2310' FWL  
Section 29, T-17S, R-29E  
Eddy County, N.M.

TD: 2708'

N. E. O. G. C. COPY

Budget Bureau No. 42-132124  
Approv. expires 12-31-60.Form 2-381a  
(Feb. 1951)Land Offices *Loco Hills*

Lease No. 0234001 (1)

Unit *Crater 8*

**(SUBMIT IN TRIPPLICATE)**  
**UNITED STATES**  
**DEPARTMENT OF THE INTERIOR**  
**GEOLOGICAL SURVEY**

**RECEIVED**

DEC 3 1962

**SUNDRY NOTICES AND REPORTS ON WELLS****O.G.C.**

NOTICE OF INTENTION TO DRILL	ARTESIA, OFFICE
NOTICE OF INTENTION TO CHANGE PLANS	
NOTICE OF INTENTION TO TEST WATER SHUT-OFF	
NOTICE OF INTENTION TO RE-DRILL OR REPAIR WELL	
NOTICE OF INTENTION TO SHOOT OR ACIDIZE	
NOTICE OF INTENTION TO PULL OR ALTER CASING	
NOTICE OF INTENTION TO ABANDON WELL	
	SUBSEQUENT REPORT OF WATER SHUT-OFF
	SUBSEQUENT REPORT OF SHOOTING OR ACIDIZING
	SUBSEQUENT REPORT OF ALTERING CASING
	SUBSEQUENT REPORT OF RE-DRILLING OR REPAIR
	SUBSEQUENT REPORT OF ABANDONMENT
	SUPPLEMENTARY WELL HISTORY

(INDICATE ABOVE BY CHECK MARK NATURE OF REPORT, NOTICE, OR OTHER DATA)

Loco Hills, New Mexico May 29, 1959

Well No. 8 is located 330 ft. from [S] line and 2310 ft. from [W] line of sec. 29SE SE SW Sec. 29  
( $\frac{1}{4}$  Sec. and Sec. No.)17-5 29-5

(Twp.) (Range)

E.M.P.M.  
(Meridian)Grayburg-Jackson  
(Field)Eddy  
(County or Subdivision)New Mexico  
(State or Territory)The elevation of the derrick floor above sea level is 3593 ft.**DETAILS OF WORK**

(State names of and expected depths to objective sands; show sizes, weights, and lengths of proposed casings; indicate rudding jobs, cementing points, and all other important proposed work)

**WE PLUGGED AND ABANDONED THE ABOVE WELL AS FOLLOWS:**  
 Filled hole with mud from T.D. 2708' back to 2400';  
 Set cement plug of 15 sacks from 2400' to 2350';  
 Filled hole with mud from 2400' to 733';  
 Set cement plug of 10 sacks from 733' to 700';  
 Filled hole with mud to surface and erected regulation marker.  
 NOTE: The above program is essentially the same as outlined in telephone conversation between R. F. Miller and Artesia, U.S.G.S. office.

**RECEIVED**

JUN 1 1959

I understand that this plan of work must receive approval in writing by the Geological Survey before operations may be started.

Company GENERAL AMERICAN OIL COMPANY OF TEXASAddress P. O. Box 416LOCO HILLS, NEW MEXICOBy R. J. Heard  
As J. Heard  
Title District Superintendent**ILLEGIBLE**

ASHMUN & HILLIARD

WELL: Leonard St 1-29  
FIELD: Grayburg-Jackson  
Spudded 7/7/60  
Dry & Abandoned; plugged 9/12/60

LOCATION:  
660' FSL & 810' FEL  
Section 29, T-17S, R-29E  
Eddy County, N.M.

---

ELEVATION:

<		
<		> 4 1/2" casing @ 6266' cement w/750 sx.
xxxxx		
xxxxx	<= Plug # 2	
xxxxx	130 foot cement plug 4000' - 3870'	
xxxxx		
xxxxx	<= Plug # 1	
xxxxx	195' foot cement plug 6236' - 6041'	

TD: 6267'

## NEW MEXICO OIL CONSERVATION COMMISSION

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FORM C-103  
(Rev 3-55)

## MISCELLANEOUS REPORTS ON WELLS

SEP 19 1960

(Submit to appropriate District Office as per Commission Rule 1106)

Name of Company <b>Ashmun &amp; Hilliard, No. 3 Ltd.</b>	Address 1606 Wilco Building, Midland, Texas				
Lease <b>Leonard State</b>	Well No. <b>1-29</b>	Unit Letter <b>P</b>	Section <b>29</b>	Township <b>17 S</b>	Range <b>29 E</b>
Date Work Performed <b>9-14-60</b>	Pool <b>Wildcat</b>	County			<b>Eddy</b>

THIS IS A REPORT OF: (Check appropriate block)

- Beginning Drilling Operations       Casing Test and Cement Job       Other (Explain): **Plugging back**  
 Plugging       Remedial Work

Detailed account of work done, nature and quantity of materials used, and results obtained.

Operator drilled well to a total depth of 6267 feet. A Baker wire line cement retainer was set at 6238.5 feet. Operator set a 15 sack cement plug at 6236-6041 feet, and a 10 sack cement plug at 4000-3870 feet.

Ashmun & Hilliard, No. 3 Ltd. is turning over the operation of this well to Leonard Oil Company as of this date.

Witnessed by <b>Jim E. West</b>	Position <b>Prod. Supt.</b>	Company <b>Ashmun &amp; Hilliard, No. 3 Ltd.</b>
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FILL IN BELOW FOR REMEDIAL WORK REPORTS ONLY

## ORIGINAL WELL DATA

D F Elev.	T D	P BTD	Producing Interval	Completion Date
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Tubing Diameter	Tubing Depth	Oil String Diameter	Oil String Depth
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Perforated Interval(s)	
------------------------	--

Open Hole Interval	Producing Formation(s)
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## RESULTS OF WORKOVER

Test	Date of Test	Oil Production BPD	Gas Production MCFPD	Water Production BPD	GOR Cubic feet/Bbl	Gas Well Potential MCFPD
Before Workover						
After Workover						

OIL CONSERVATION COMMISSION	I hereby certify that the information given above is true and complete to the best of my knowledge.
-----------------------------	---

Approved by <b>M.L. Armstrong</b>	Name <b>J.B. Lehman</b>
Title <b>STATE AND GAS INSPECTOR</b>	Position <b>Partner</b>
Date	Company

SIETE OIL GAS CORPORATION

Sackett Waterflood Project

NMOCD Form C-108 Section VII

VII. Injection Data

1. Injection Rates
  - a. Proposed average daily water injection is 300 BWPD/Well.
  - b. Maximum rate of daily water injection is 500 BWPD/Well.
2. We will utilize Marbob's injection facilities.
3. Injection Pressures
  - a. Proposed average daily injection pressure is 400 PSI.
  - b. Maximum daily injection pressure is 460 PSI\*.  
\* Note: Maximum injection pressure abides by .2 PSI/Ft maximum injection pressure imposed by the NMOCD. Future necessary increases in surface pressure will be obtained administratively from the NMOCD using field obtained "Step Rate Test" data.
4. Injection water will come from Marbob's Grayburg-Jackson Units facilities. The injection water is produced water from their Grayburg waterflood. The formations are the same, therefore, the waters will be compatible.
5. Water injection will be into a zone currently productive of oil and gas.

VIII. Geologic Data:

The injection interval for the Sackett #2 will be the Grayburg and San Andres formations. The Grayburg and the San Andres produce from fine to medium grained sandstones of the Guadalupian Series and Permian age. The Grayburg top is at a depth of 2212' (+1394' subsea). The Grayburg has a gross thickness of 360'. The net pay zone to be injected into is about 50' thick. The San Andres top is at a depth of 2570' (+1036' subsea) and has a gross thickness of over 600'. The net pay zone to be injected into is about 55' thick. There are no sources of drinking water underlying the zones to be injected into. A thorough search of the State Water Board records show there is a fresh water well located in the Se Se Se portion of Section 29. It is a Turkey Track Ranch well and is pumped with a windmill. The depth of the well can not be found in any of the State Water Board records.

- IX. No additional stimulation is planned.
- X. Well logs have been submitted. The Sackett #2 currently produces 6 BOPD, 6 MCFGPD and 0 BWPD.
- XI. The fresh water well in Section 29 T17S R29E was sampled on 3/28/85 and had 444 ppm chlorides. The water also had specific conductance of 3963.
- XII. I, Robert Lee, a Production/Reservoir Engineer for Siete Oil and Gas Corporation and in behalf of, have compiled and examined all available geologic and engineering data and have not found any evidence of hydrologic connections between the proposed Shugart Penrose-Grayburg Waterflood Project injection zone and any sources of underground drinking water.
- XIII. Proof of Notice - requirements
  - 1. See attached mailing list and registered mail certificates.