

MEWBOURNE OIL COMPANY

FEDERAL S#1

PAY-OUT STATUS REPORT

10/31/93

EXPENDITURES	CURRENT MONTH	INCEPTION TO DATE	RECOVERY %	BALANCE TO BE RECOVERED
INTANGIBLE DRILLING & COMPL	0.00	429,174.95	300%	1,287,524.85
LEASE & WELL EQUIPMENT	0.00	232,086.54	300%	696,259.62
LEASE OPERATING EXPENSES	3,012.90	80,764.91	100%	80,764.91
TOTAL EXPENDITURES				<u>\$2,064,549.38</u>

INCOME	CURRENT MONTH VOLUME	INCEPTION TO DATE VOLUME	CURRENT MONTH DOLLARS	INCEPTION TO DATE DOLLARS
OIL SALES	0.00	364.66	0.00	6,204.34
GAS SALES	17,131.00	788,528.00	31,349.01	1,322,675.32
OIL PRODUCTION TAX			0.00	(472.43)
GAS PRODUCTION TAX			(2,524.18)	(96,758.67)
TOTAL INCOME			<u>28,824.83</u>	<u>1,231,648.56</u>
LESS ROYALTIES @ .25				<u>307,912.14</u>
NET INCOME APPLICABLE TO PAYOUT				<u>\$923,736.42</u>
 BALANCE TO BE RECOVERED				 <u>\$1,140,812.96</u>

MARK D. WILSON

STATE OF NEW MEXICO - CASE#9926, ORDER# R-9196



MEWBOURNE OIL COMPANY

OIL CONSERVATION DIVISION
RECEIVED

FFC
FEDERAL #1
PAY-OUT STATUS REPORT
10/31/93

'93 DEC 22 AM 9 31

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OIL PRODUCTION TAX			0.00	(472.43)
GAS PRODUCTION TAX			(2,524.18)	(96,758.67)
TOTAL INCOME			28,824.83	1,231,648.56
LESS ROYALTIES @ .20				246,329.71
NET INCOME APPLICABLE TO PAYOUT				<u>\$985,318.85</u>
BALANCE TO BE RECOVERED				<u>\$1,079,230.53</u>

RIO PECOS CORPORATION
STATE OF NEW MEXICO - CASE# 9926, ORDER# R-9196

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

March 4, 1992



POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

Siete Oil & Gas Corporation
P.O. Box 2523
Roswell, New Mexico 88202

Attention: Darrin Steed

*RE: Injection Pressure Increase
Siete Shugart Cooperative
Waterflood Project
Eddy County, New Mexico*

Dear Mr. Steed:

Reference is made to your request dated January 6, 1992, to increase the surface injection pressure on 3 wells within the Shugart Cooperative Waterflood Project. This request is based on step rate tests conducted on these wells during December, 1991. The results of the tests have been reviewed by my staff and we feel an increase in injection pressure on these wells is justified at this time.

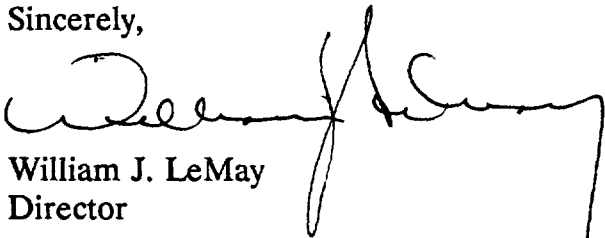
You are therefore authorized to increase the surface injection pressure on the following wells.

<u>WELL AND LOCATION</u>	<u>MAXIMUM INJECTION SURFACE PRESSURE</u>
Geronimo Federal Well No. 2 Unit B, Section 24, T-18S, R-31E, NMPM	1000 PSIG
Geronimo Federal Well No. 7 Unit H, Section 24, T-18S, R-31E, NMPM	1000 PSIG
Inca Federal Well No. 4 Unit D, Section 18, T-18S, R-32E, NMPM	1000 PSIG
All in Eddy County, New Mexico	

Siete Oil & Gas Corporation
March 4, 1992
Page 2

The Division Director may rescind this injection pressure increase if it becomes apparent that the injected water is not being confined to the injection zone or is endangering any fresh water aquifers.

Sincerely,



William J. LeMay
Director

WJL/DC/jc

cc: Oil Conservation Division - Artesia
File: Case No. 9925 ✓
D. Catanach
R. Brown



SIETE OIL & GAS CORPORATION

OIL CONSERVATION DIV
REC'D

1992 JAN 8 AM 8

*Petroleum Building Suite 200
P.O. Box 2523 Roswell, New Mexico 88202, USA
Telephone (505) 622-2202
FAX (505) 622-2297*

January 6, 1992

Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Attn: Dave Catanach

RE: Increasing Injection Pressure
on the Geronimo #2, #7 and the Inca #4
Shugart Field, Eddy County, N.M.

Dear Mr. Catanach:

Siete Oil & Gas respectfully requests the wellhead injection pressure for the above mentioned wells be increased from the current limitations to 1000 psi. Please find attached the following graphs and information to justify this request:

1. Step-Rate Tests (Surface & Bottomhole Readings)
2. Correspondence concerning Blackhawk #3
3. John West's data and plots

To justify increasing the injection pressure on these three wells, two step-rate tests was ran December 18, 1991. The wells tested were the Geronimo #7 and the Blackhawk #7. Both tests were witnessed by Darrell Moore from the OCD office in Artesia. Due to a restriction in the tubing, bottomhole pressures were not attainable on the Geronimo #7. After conferring with Mr. Moore, it was decided that surface pressure measurements were acceptable. The test data shows a distinct break-over occurring at 1110 psi on the Geronimo #7. This is determined by using the last two points over parting pressure. There are two reasons for using these last two points.

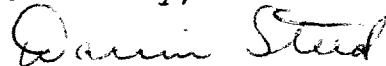
The first reason is that the parting pressure on the Blackhawk Federal #3 is 1250 psi. Both the Blackhawk #3 and the Geronimo #7 are injecting into the Penrose formation. The second reason is the similar curve shapes between the Geronimo #7 and the Blackhawk #7. Due to an insufficient supply of water, fewer points were obtained during the 30 minute step-rate test. On the Blackhawk #7 a 15 minute step-rate test was performed. Both surface pressure curves are similar and all of the later points give a distinct straight line. The fourth test point on the

Geronimo #7 and the Blackhawk #7 do not fall on either line. Based on the evidence seen from the Blackhawk #7 test, this point may not be a true representation of the parting pressure.

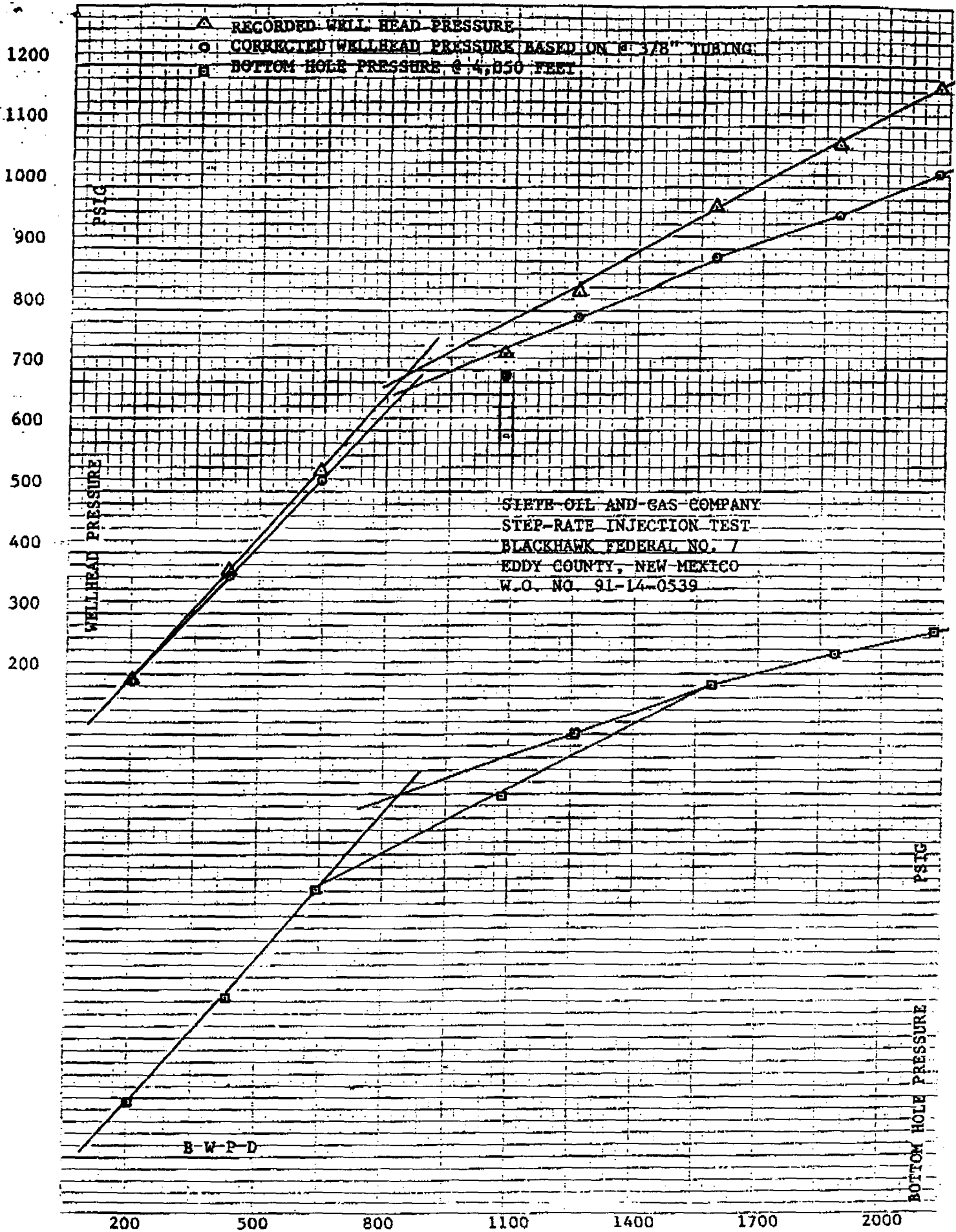
The data recorded by West Engineering and the associated plots are attached. Also included is a copy of the step-rate test on the Blackhawk #3 and the authorization letter for increased injection pressure.

If you have any questions or need further information please call me at 505-622-2202.

Sincerely,

A handwritten signature in cursive script that reads "Darrin Steed".

Darrin Steed
Reservoir Engineer

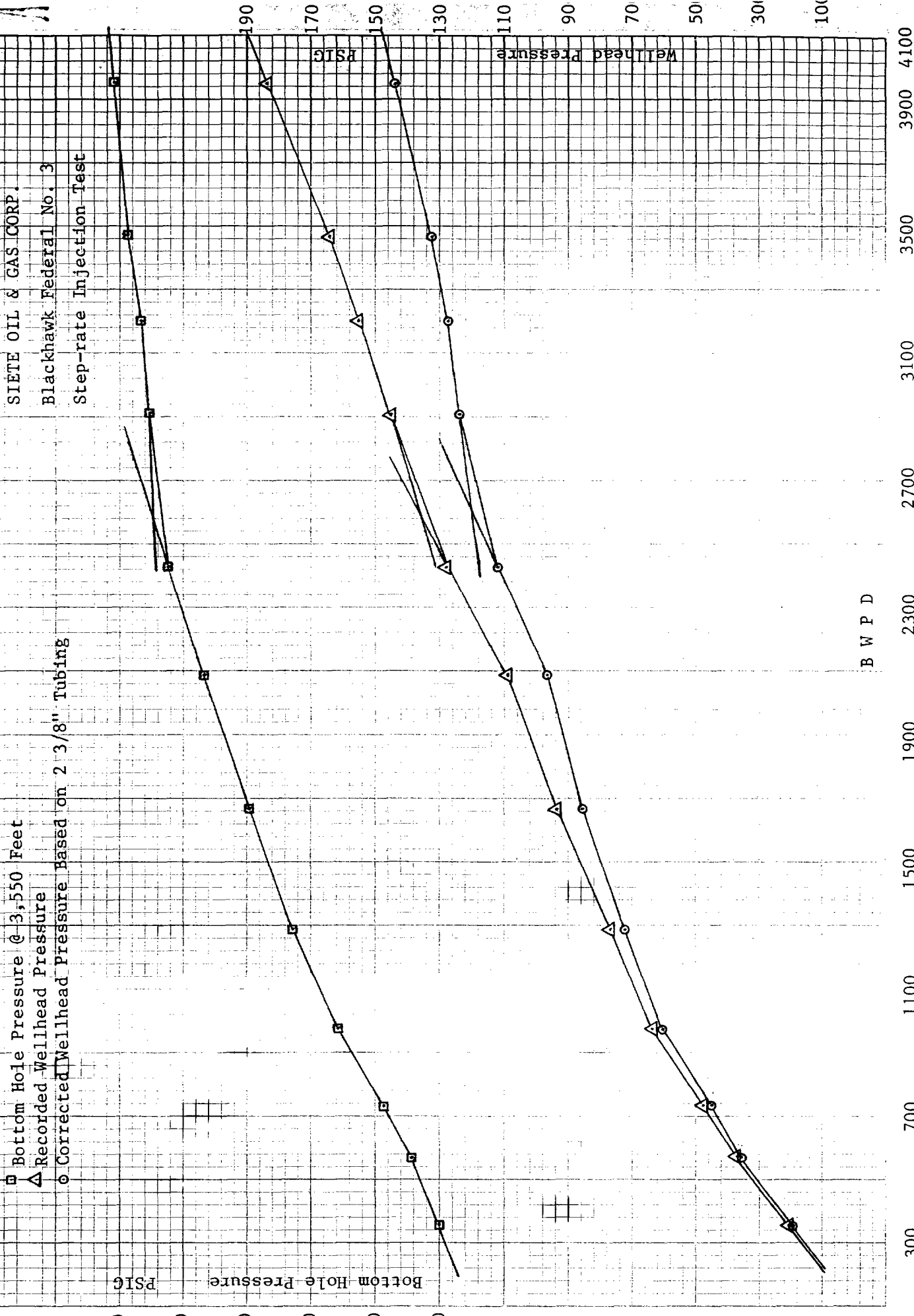


Step Rate Injection Test

Well Name Blackhawk Federal No. 7
 CO. Name Siete Oil And Gas Company
Eddy County, New Mexico

Date 12-18-91
 W.O. No. 91-14-0539
 Page 1 of 2

Remarks	Time	Tbg. Press.	Rate BHPD.	Total	D. I. P.	Tbg. Press.	Rate GPM	Head Loss
				3756-69 4265-77-96-99				
				4313-43				
				Set @ 4050 Feet				
	1:30	67.6		0	2151			
	1:35	165.70	230.40	.8	2246			
	1:40	184.90	201.60	1.5	2272			
1	1:45	213.00	172.80	2.1	2294	211.2	5.88	1.806
			201.60					
	1:50	303.70	432.00	3.6	2391			
	1:55	342.10	432.00	5.1	2435			
2	2:00	367.60	432.00	6.6	2463	360.2	12.60	7.395
			432.00					
	2:05	467.30	633.60	8.8	2549			
	2:10	504.40	662.80	11.1	2591			
3	2:15	532.50	633.60	13.3	2621	517.1	18.76	15.443
			643.20					
	2:20	662.80	1094.40	17.1	2720			
	2:25	697.30	1064.60	20.8	2763			
4	2:30	733.10	1094.40	24.6	2797	692.5	31.64	40.616
			1084.80					
	2:35	795.70	1267.2	29.0	2853			
	2:40	809.80	1267.2	33.4	2879			
5	2:45	832.80	1238.40	37.7	2902	779.4	36.68	53.389
			1257.60					
	2:50	935.10	1584.00	43.20	2958			
	2:55	950.40	1584.00	48.70	2971			
6	3:00	965.80	1584.00	54.2	2981	884.0	46.20	81.818
			1584.00					
	3:05	1050.20	1929.60	60.9	3016			
	3:10	1065.60	1814.40	67.2	3025			
7	3:15	1065.60	1900.80	73.8	3033	953.1	54.88	112.506
			1881.60					
	3:20	1151.40	2131.20	81.20	3061			
	3:25	1156.50	2131.20	88.60	3066			
8	3:30	1163.00	2131.20	96.00	3069	1021.4	62.16	141.662
			2131.20					



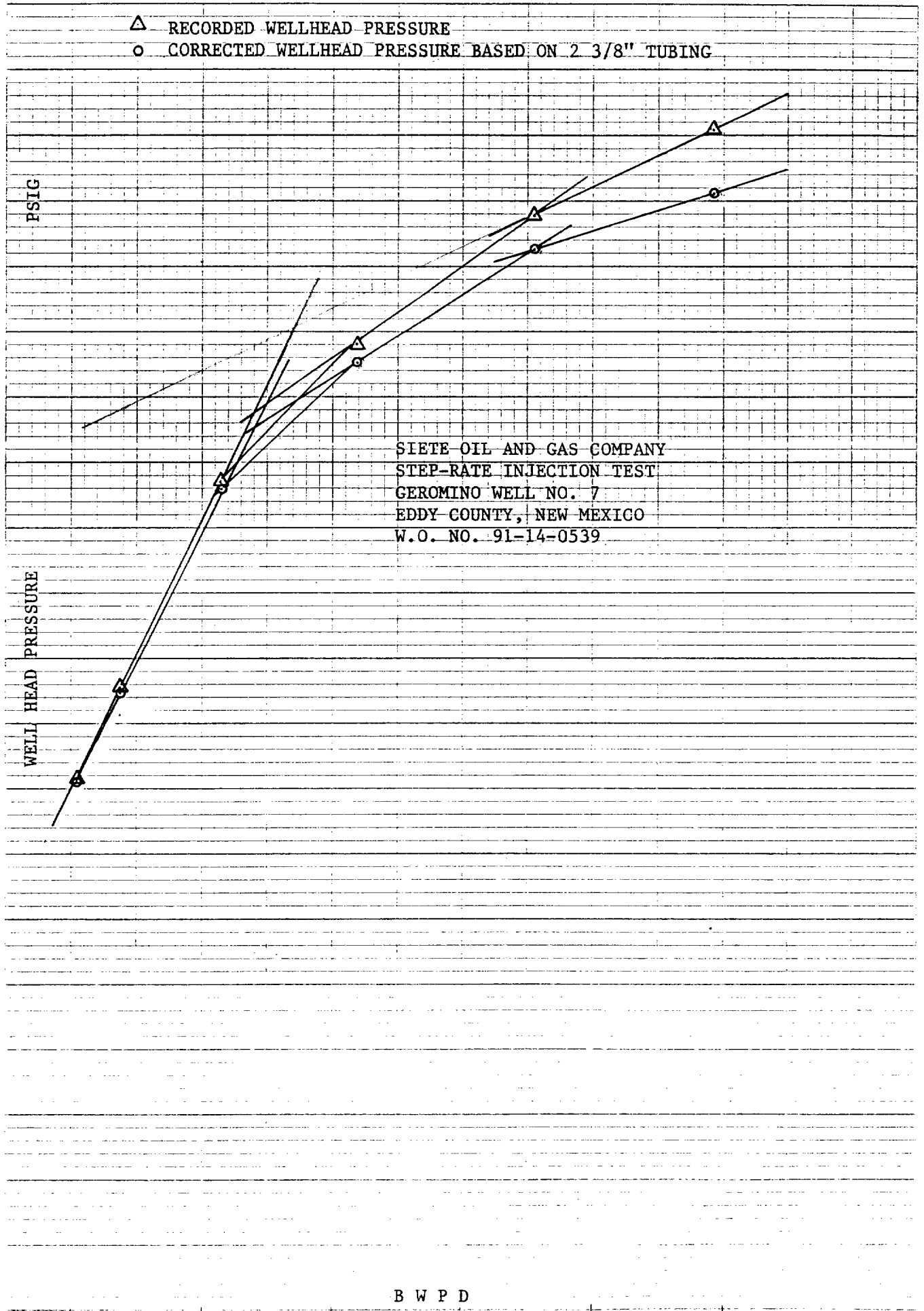
△ RECORDED WELLHEAD PRESSURE
○ CORRECTED WELLHEAD PRESSURE BASED ON 2 3/8" TUBING

PSIG
WELL HEAD PRESSURE

SIETE OIL AND GAS COMPANY
STEP-RATE INJECTION TEST
GEROMINO WELL NO. 7
EDDY COUNTY, NEW MEXICO
W.O. NO. 91-14-0539

B W P D

200 500 800 1100 1400 1700



JOHN WEST ENGINEERING CO.
Step Rate Injection Test

Well Name Geromino Well No. 7
CO. Name Siete Oil And Gas Company
Eddy County, New Mexico

Date 12-18-91
W.O. No. 91-14-0539
Page 1 of 2

marks	Time	Tbg. Press.	Rate GPM	Total	Time	Tbg. Press.	Rate GPM	Total
				Surface				
	8:50			0				
	8:55	302.40	201.6	.7				
	9:00	312.60	201.6	1.4				
	9:05	367.80	172.80	2.0				
	9:10	386.80	230.40	2.8				
	9:15	408.60	230.40	3.6				
1	9:20	415.00	230.40	4.4		413.0	6.16	1.968
			211.20					
	9:25	531.30	316.80	5.5				
	9:30	537.80	345.60	6.7				
	9:35	548.10	288.00	7.7				
	9:40	549.40	316.80	8.8				
	9:45	566.00	316.80	9.9				
2	9:50	558.40	316.80	11.0		554.2	9.24	4.116
			316.80					
	9:55	787.10	547.20	12.9				
	10:00	826.70	547.20	14.8				
	10:05	834.30	547.20	16.7				
	10:10	834.30	547.20	18.6				
	10:15	856.00	547.20	20.5				
3	10:20	870.10	518.40	22.3		858.8	15.82	11.266
			542.40					
	10:25	1045.20	864.00	25.30				
	10:30	1042.70	864.00	28.30				
	10:35	1077.20	864.00	31.30				
	10:40	1074.60	864.00	34.30				
	10:45	1082.60	835.20	37.20				
4	10:50	1080.90	864.00	40.2		1054.5	25.06	26.386
			859.20					
	10:55	1238.30	1296.00	44.7				
	11:00	1254.90	1238.40	49.0				
	11:05	1271.50	1238.40	53.30				
	11:10	1276.50	1267.20	57.70				
	11:15	1268.80	1267.20	62.10				
5	11:20	1279.00	1267.20	66.50		1225.2	36.82	53.767
			1262.40					

JOHN WEST ENGINEERING CO.
Step Rate Injection Test

Well Name Geromino Well No.7
 :O. Name Siete Oil And Gas Company
Eddy County, New Mexico

Date 12-18-91

W.O. NO. 91-14-0539

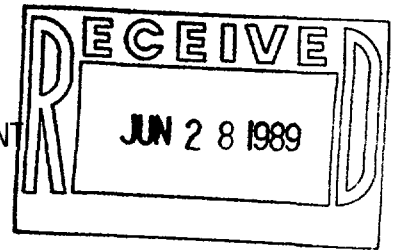
Page 2 of 2

marks	Time	Tbg. Press.	Rate GPM	Total	Time	Tbg. Press.	Rate GPM	Total
	11:25	1396.80	1670.40	72.30				
	11:30	1405.00	1670.40	78.10				
	11:35	1401.90	1670.40	83.90				
	11:40	1407.00	1670.40	89.70				
	11:45	1403.10	1670.40	95.50				
6	11:50	1407.00	1699.20	101.4		1316.3	48.86	90.725
			1675.19					
	11:55	1499.20	2044.8	108.5				
	12:00	1491.50	2073.60	115.7				
OUT OF WATER	12:05	1486.40	2073.60	122.9				
FALL-OFF	12:06	1048.70						
	12:07	940.00						
	12:08	874.80						
	12:09	833.90						
	12:10	804.50						
	12:11	780.30						
	12:12	761.10						
	12:13	747.00						
	12:14	734.30						
	12:15	724.00						
	12:16	716.40						
	12:17	708.70						
	12:18	699.80						
	12:19	694.70						
	12:20	688.30						



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION



GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

June 21, 1989

Siete Oil & Gas Corporation
P.O. Box 2523
Roswell, NM 88202

Attention: Attention: Robert Lee

RE: Injection Pressure Increase
Blackhawk Well No. 3
Blackhawk Federal Waterflood
Project
Eddy County, New Mexico

Dear Mr. Lee:

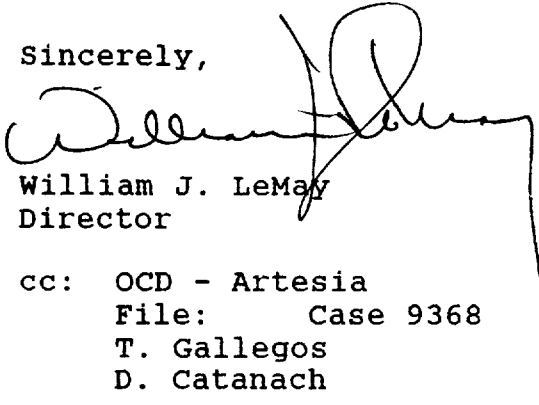
Reference is made to your request dated June 12, 1989, to increase the surface injection pressure on the Blackhawk Well No. 3. This request is based on a step rate test conducted on the well on June 9, 1989. The results of the test has been reviewed by my staff and we feel an increase in injection pressure on the well is justified at this time.

You are therefore authorized to increase the surface injection pressure on the following well:

<u>WELL AND LOCATION</u>	<u>MAXIMUM INJECTION SURFACE PRESSURE</u>
Blackhawk Federal Well No. 3 Unit L, Section 24, T-18 South, R-31 East, NMPM, Eddy County, New Mexico.	1150 PSIG

The Division Director may rescind this injection pressure increase if it becomes apparent that the injected water is not being confined to the injection zone or is endangering any fresh water aquifers.

Sincerely,



William J. LeMay
Director

cc: OCD - Artesia
File: Case 9368
T. Gallegos
D. Catanach



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

May 25, 1990

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

Mr. James Bruce
Hinkle, Cox, Eaton,
Coffield & Hensley
Attorneys at Law
800 Marquette, N.W.
Suite 740
Albuquerque, New Mexico 87102-2121

Re: CASE NO. 9925
ORDER NO. R-9184

Applicant:

Siete Oil and Gas Corporation

Dear Sir:

Enclosed herewith are two copies of the above-referenced Division order recently entered in the subject case.

Sincerely,

Florene Davidson

FLORENE DAVIDSON
OC Staff Specialist

Copy of order also sent to:

Hobbs OCD x
Artesia OCD x
Aztec OCD

Other _____
