



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

January 27, 2005

St. Mary Land & Exploration Company
580 Westlake Park Blvd.
Suite 600
Houston, Texas 77079

Attention: Mr. Dennis Goins

Re: East Shugart Delaware Unit Well No. 21
API No. 30-025-37036
Lea County, New Mexico

Dear Mr. Goins:

I have received your letter dated January 7, 2005, whereby you have advised the Division that the East Shugart Delaware Unit Well No. 21, an approved injection well within this secondary recovery project which was originally proposed to be drilled 1193 feet from the North line and 1018 feet from the West line (Unit D) of Section 19, Township 18 South, Range 32 East, NMPM, will now be drilled at a location 1425 feet from the North line and 1000 feet from the West line (Unit E) of Section 19. It is our understanding that the well had to be moved due to topographic considerations.

You are hereby authorized to drill the East Shugart Delaware Unit Well No. 21 at the new location described above.

Sincerely,

Mark E. Fesmire, P.E.
Director

Xc: OCD-Hobbs
Case File-12208
Well File