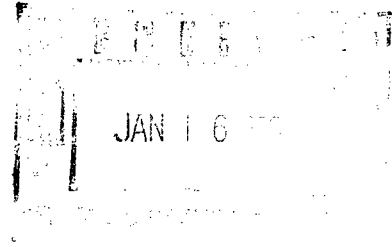




MES

January 14, 2003

Michael E Stogner
Chief Hearing Officer/Engineer
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505



Re: Application for NSL
State Land Sec. 32 #9 Well
2130' FSL & 1980' FEL
Sec. 32 (J), T18S, R38E
Lea County, NM

(30-025-23309)

Dear Mr. Stogner:

Saga respectfully requests approval for a NSL Tubb wildcat gas production from the referenced well. Offset operators were notified by letter this date of Saga's request for a NSL Tubb completion. A copy of the offset operator list is enclosed along with a copy of the letter to same.

Your prompt consideration of Saga's request for administrative approval of the State Land Section 32 #9 well at a Tubb NSL is respectfully submitted.

Yours very truly,

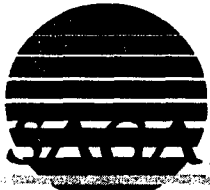
A handwritten signature in cursive script that reads "Bonnie Husband".

Bonnie Husband
Production Analyst

Enclosures

API	Company	well name	well#	TD	prod fm.	FIELD	status	perfs
sec. 32, T18S, R38E								
	ALTURA ENERGY	N HOBBS UNIT	432		GBSA	HOBBS	INJ	
3002507515	ALTURA ENERGY	N HOBBS UNIT	311	4160	GBSA	HOBBS		
3002507518	ALTURA ENERGY	N HOBBS UNIT	322	4248	GBSA	HOBBS		4064-4249
3002507520	SHELL OIL (GULF)	N HOBBS UNIT	221	4290	GBSA	HOBBS		
3002507521	ALTURA ENERGY	N HOBBS UNIT	231	4230	GBSA	HOBBS		
3002507529	GULF OIL	WD GRIMES A	11	3169	7Rivers	BOWERS	P&A	
3002507533	ALTURA ENERGY	N HOBBS UNIT	241	4270	GBSA	HOBBS		4068-4082
3002507535	OHIO	STATE NORTHRUP	1	3661				
3002507536	ALTURA ENERGY	N HOBBS UNIT	441	4241	GBSA	HOBBS		
3002507537	ALTURA ENERGY	N HOBBS UNIT	431	4245	GBSA	HOBBS		
3002507538	ALTURA ENERGY	N HOBBS UNIT	331	4261	GBSA	HOBBS		4040-4240
3002507539	ALTURA ENERGY	N HOBBS UNIT	341	4236	GBSA	HOBBS		
3002507540	SAGA	STATE LAND 32	6	3203	7Rivers	BOWERS		
3002507541	SAGA	STATE LAND 32	7	3216	7Rivers	BOWERS		
3002507542	SAGA	STATE LAND 32	8	3202	7Rivers	BOWERS		
3002508409	ALTURA ENERGY	STATE A	5	3184				
3002512504	ALTURA ENERGY	STATE A	1	4175	QUEEN	BYERS	GAS	
3002512506	ALTURA ENERGY	N HOBBS UNIT	321	4290	GBSA	HOBBS	INJ	4084-4252
3002512507	ALTURA ENERGY	N HOBBS UNIT	421	4211	GBSA	HOBBS	Active	4046-4214
3002522944	Altura Energy	Shell State A	6	6021	Blincbry	Hobbs	Active	5805-5929
3002523035	Altura Energy	N HOBBS UNIT	232	6020	GBSA	Hobbs	Active	4082-4237
3002523116	Apache Corp.	State A	5	8044	Blincbry	Hobbs	Active	6674-6936
3002523130	Altura Energy	N HOBBS UNIT	424	7020	GBSA	Hobbs		4128-4244
3002523309	Saga	State Land Sec. 32	9	7002	blincbry	Hobbs	Active	5813-5968
3002526973	ALTURA ENERGY	N HOBBS UNIT	323	4400	GBSA	HOBBS	INJ	
3002528266	ALTURA ENERGY	N HOBBS UNIT	342	4431	GBSA	HOBBS	INJ	4091-4283
3002529074	ALTURA ENERGY	N HOBBS UNIT	422	4370	GBSA	HOBBS	Active	
3002529173	ALTURA ENERGY	N HOBBS UNIT	332	4370	GBSA	HOBBS	Active	4069-4070
3002529198	ALTURA ENERGY	N HOBBS UNIT	423	4382	GBSA	HOBBS	INJ	
3002529906	ALTURA ENERGY	N HOBBS UNIT	343	4370	GBSA	HOBBS	Active	4141-4208
3002534374	ALTURA ENERGY	N HOBBS UNIT	531	4400	GBSA	HOBBS	Active	4052-4233
3002534375	ALTURA ENERGY	N HOBBS UNIT	542	4600	GBSA	HOBBS	Active	
3002534907	ALTURA ENERGY	N HOBBS UNIT	512	4600	GBSA	HOBBS	Active	
3002534964	ALTURA ENERGY	N HOBBS UNIT	541	4500	GBSA	HOBBS		
3002535452	ALTURA ENERGY	N HOBBS UNIT	834	4500	GBSA	HOBBS	Active	

sec. 33, T18S, R38E								
3002507543	ALTURA ENERGY	N HOBBS UNIT	141	4183	GBSA	HOBBS	Inj?	
3002507544	ALTURA ENERGY	N HOBBS UNIT	131	4240	GBSA	HOBBS	Inj?	
3002507545	ALTURA ENERGY	N HOBBS UNIT	231	4230	GBSA	HOBBS	Inj	
3002507549	CONTINENTAL	STATE A-33	8	3204		HOBBS	P&A?	
3002507550	CONTINENTAL	STATE A-33	9	3206		HOBBS	P&A?	
3002507559	ALTURA ENERGY	N HOBBS UNIT	121	4179	GBSA	HOBBS	Inj?	
3002507560	ALTURA ENERGY	N HOBBS UNIT	221	4242	GBSA	HOBBS	Inj?	
3002507563	STANOLIND	STATE G	4	3204		HOBBS	P&A?	
3002523195	Brother Prod. Co.	State A 33	12	7022	Drinkard	Hobbs	Active	6692-6694
3002523263	ALTURA ENERGY	N HOBBS UNIT	122	7049	GBSA	HOBBS	Active	
3002526834	ALTURA ENERGY	N HOBBS UNIT	232	4453	GBSA	HOBBS	Inj	
3002528411	ALTURA ENERGY	N HOBBS UNIT	142	4370	GBSA	HOBBS	Inj	
3002534906	ALTURA ENERGY	N HOBBS UNIT	511	4600	GBSA	HOBBS	Active	
3002534980	ALTURA ENERGY	N HOBBS UNIT	513	4500	GBSA	HOBBS	Active	
3002535534	ALTURA ENERGY	N HOBBS UNIT	844	3634	GBSA	HOBBS	Active	



PETROLEUM

January 14, 2003

Offset Operators

Re: State Land Sec. 32 #9 Well
2130' FSL & 1980' FEL
Sec. 32 (J) T18S, R38E
Lea County, NM
API No. 30-025-23309

Gentlemen:

The referenced well's Blinbry perms 5813'-5968' were squeezed off in December 1997 and the Tubb perforated from 6435'-6560', treated and put on production through the casing-tubing annulus. Drinkard perforations 6626'-6693' were added in September 1998 and treated. A Model N BP w/N plug was set w/2 sx cmt on top and packer set at 6605'. The Drinkard perforations were not put on production until a separate gas meter was installed in February 2001. Production from the Tubb and Drinkard perms were not commingled, however a DHC Permit has recently been applied for/requested.

Tubb Gas Completion - OCD has notified Saga that this location encroaches the NE/4, SW/4 and SW/4 of Section 32 and the affected parties in all three 160-acre areas are to be notified of Saga's request for a NSL approval. If you have no objections to this NSL - Tubb completion, please sign the attached and return to Saga in the enclosed envelope.

Should you have any questions, please contact the undersigned or Joe Clement, NM area engineer at the letterhead number below.

Very truly yours,

SAGA PETROLEUM LLC

Bonnie Husband
Production Analyst

Enclosures

We have no objections to Saga's proposed State Land Section 32 #9 well – Tubb completion – located at a NSL.

Company Name: _____

Signature

Typed Name

Date

District I
1625 N. French Dr., Hobbs, NM 88240

District II
811 South First, Artesia, NM 88210

District III
1000 Rio Brazos Rd., Aztec, NM 87410

District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-102
Revised August 15, 2000

Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-23309		² Pool Code 96946		³ Pool Name Wildcat Tubb	
⁴ Property Code 20363		⁵ Property Name State Land Sec. 32			⁶ Well Number 9
⁷ OGRID No. 148967		⁸ Operator Name Saga Petroleum LLC			⁹ Elevation 3637' Gr


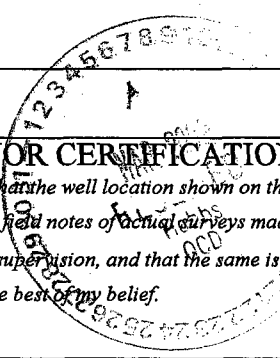
¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	32	18S	38E		2130	S	1980	E	LEA

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres 160		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No.			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR
NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16					17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Signature Bonnie Husband Printed Name Production Analyst Title 03/05/2002 Date	
					18 SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.  Date of Survey Signature and Seal of Professional Surveyor: Certificate Number	

