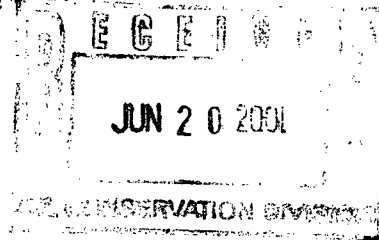


SAGE ENERGY COMPANY

P. O. DRAWER 3068

MIDLAND, TEXAS 79702

915/683-5271



June 13, 2001

State of New Mexico
Oil Conservation Division
2040 S. Pacheco
Santa Fe, NM. 87505

Attn: Mr. Mark Ashley

Re: Injection Pressure Increase
North Vacuum (Abo) North Unit Waterflood Project
Lea County, New Mexico

Dear Mr. Ashley:

Sage Energy Company respectfully requests permission from the OCD to increase the maximum allowable surface injection pressure for three injection wells. This request is based on step rate tests performed June 2, 2001.

Enclosed are three step rate tests and a table outlining the prior maximum injection pressure set by the state and the requested allowable increase.

Yours truly,

George M. Harris, Jr.
Engineer

Cc: OCD - Hobbs

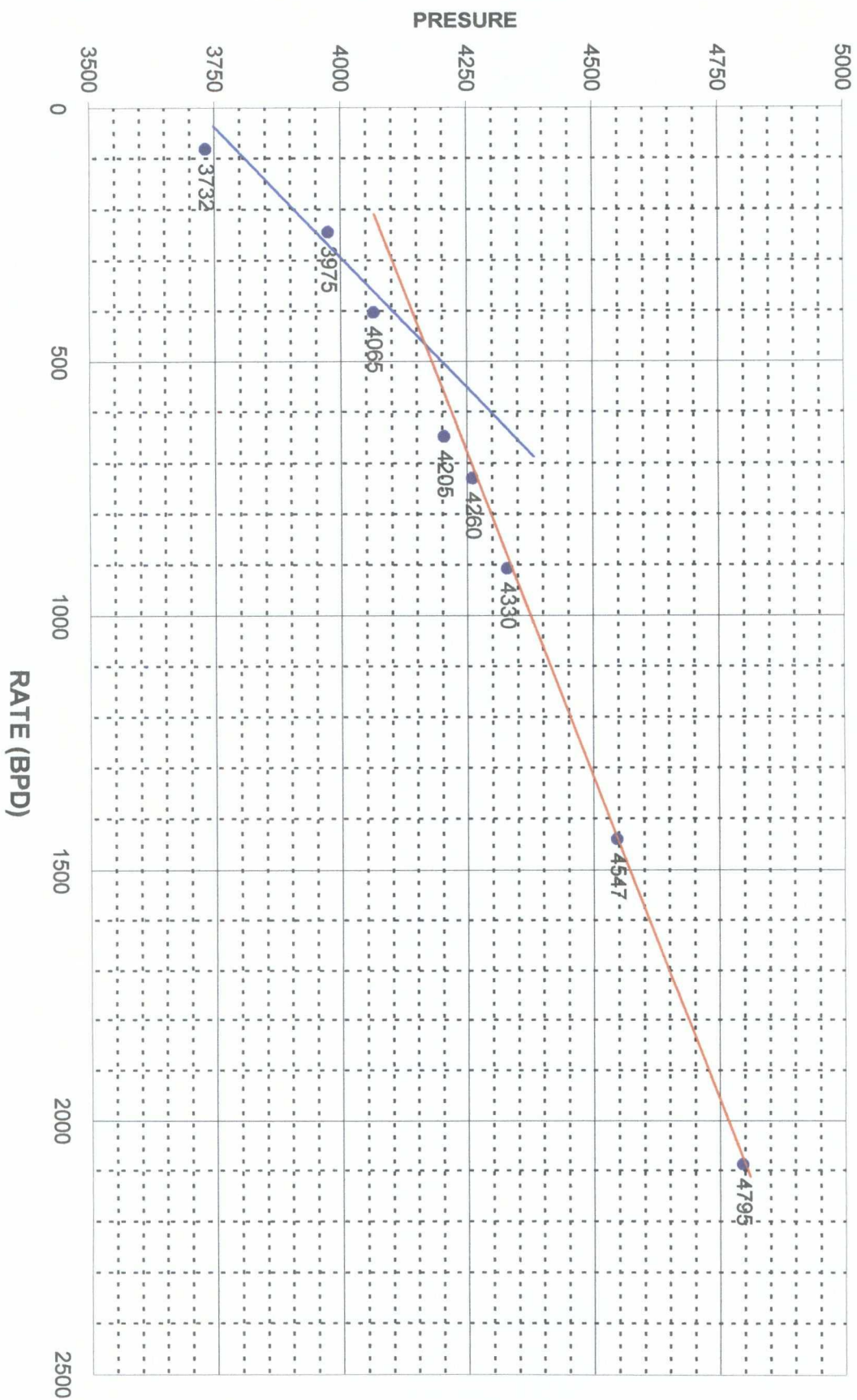
Sage Energy Company

Injection Pressure Increase
North Vacuum (Abo) North Unit Waterflood Project
Lea County, New Mexico

INJECTION WELL	CURRENT MAXIMUM INJECTION WHP	REQUESTED MAXIMUM INJECTION WHP
NVANU 5B #1	3945#	4115#
NVANU 10 #1	3670#	4410#
NVANU 13 #1	4100#	4270#

SAGE ENERGY COMPANY
NORTH VACUUM ABO NORTH UNIT
STEP RATE TEST

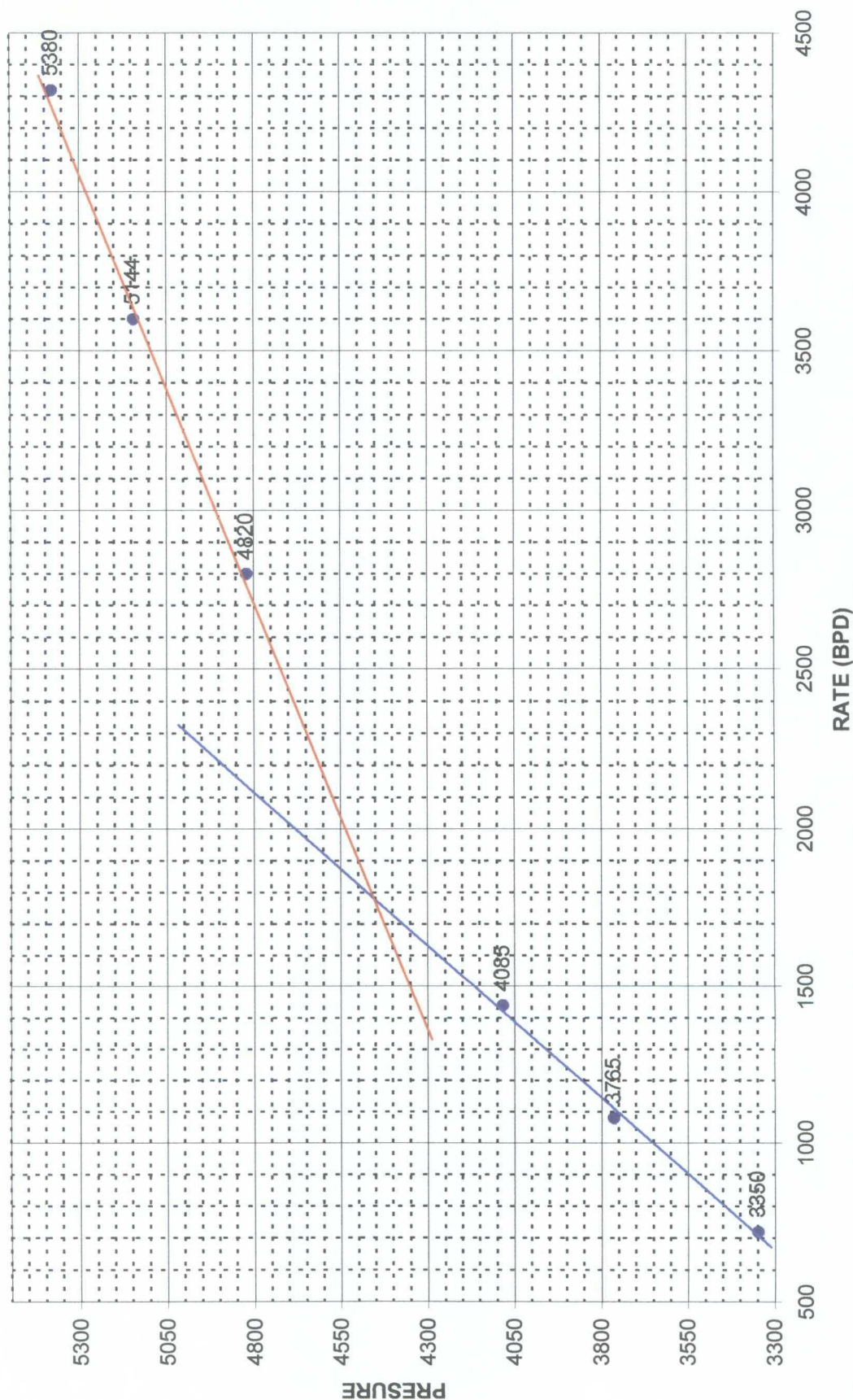
NVANU 5B WELL #1



DATE: JUNE 2, 2001
INTERCEPT: 4165 psig

SAGE ENERGY COMPANY
NORTH VACUUM ABO NORTH UNIT
STEP RATE TEST

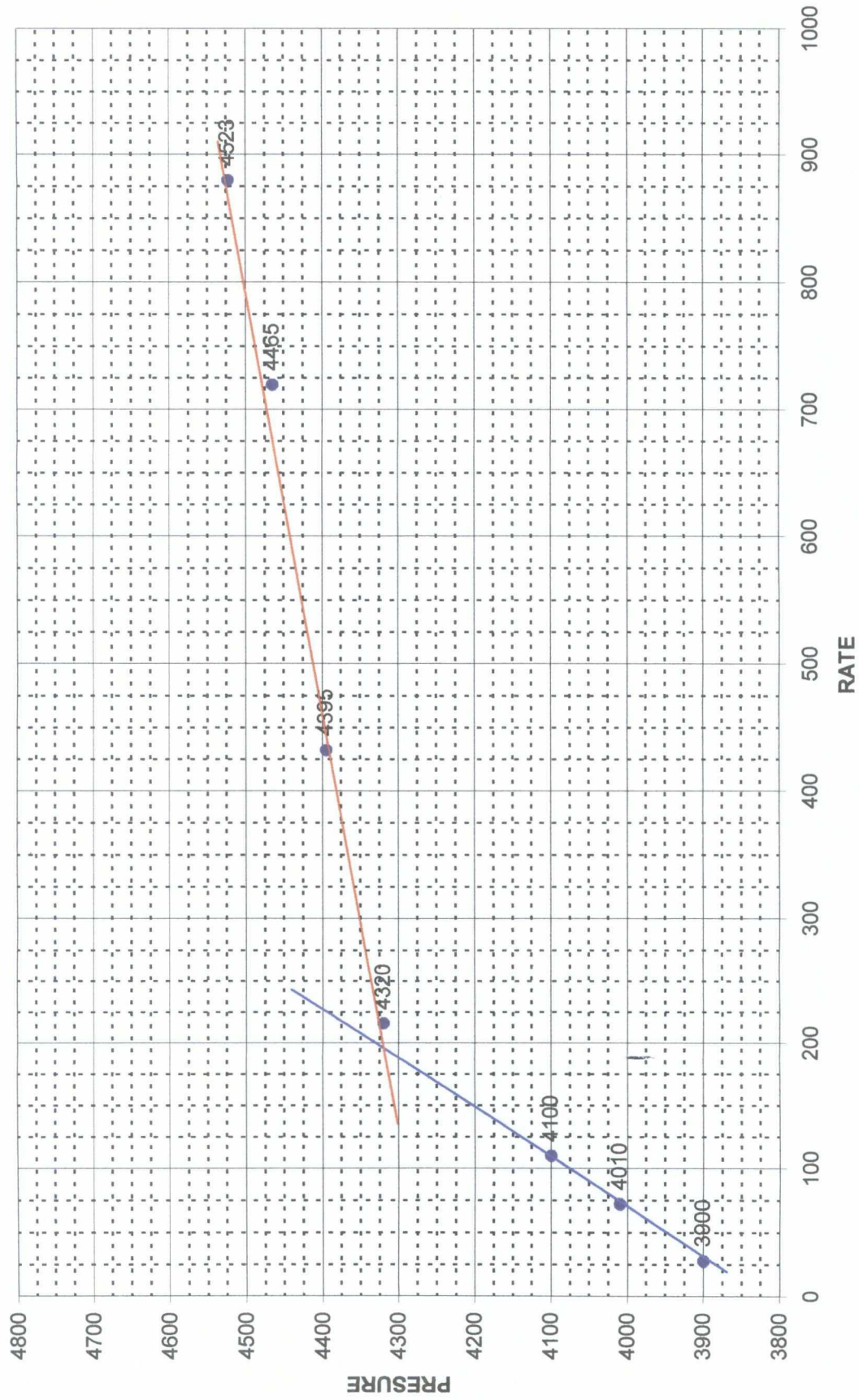
NVANU 10 WELL #1



DATE: JUNE 2, 2001
INTERCEPT: 4460 psig

SAGE ENERGY COMPANY
NORTH VACUUM ABO NORTH UNIT
STEP RATE TEST

NVANU 13 WELL #1



DATE: JUNE 2, 2001
INTERCEPT: 4320 psig

SAGE ENERGY COMPANY

P. O. DRAWER 3068

MIDLAND, TEXAS 79702

915/683-5271

July 9, 2001

OIL CONSERVATION DIV.

01 JUL 12 PM 2:36

State of New Mexico
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM. 87505

Attn: Mr. David Catanach

Re: Injection Pressure Increase
North Vacuum (Abo) North Unit Waterflood Project
Lea County, New Mexico

Dear Mr. Catanach:

Below and attached is the additional information you requested in order to process Sages request for increased injection pressure for three wells in our North Vacuum Abo North Unit.

These Step Rate tests were performed on the same day, **June 6, 2001** and the Division Order No. authorizing injection for wells in the Unit is **R-9359**.

WELL	API NO.	LOCATION
NVANU 5B#1	30-025-24341	660' FS, 860' FE, 'P', Sec 1, T-17-S, R-34-E
NVANU 10#1	30-025-25059	660' FN, 660' FW, 'D', Sec 1, T-17-S, R-34-E
NVANU 13#1	30-025-25066	660' FN, 1980' FE, 'B', Sec 2, T-17-S, R-34-E

Yours truly,



George M. Harris, Jr.
Engineer



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

July 5, 2001

Sage Energy Company
P.O. Drawer 3068
Midland, Texas 79702

Attention: Mr. George M. Harris, Jr.

Re: Injection Pressure Increase
North Vacuum Abo North Unit WF Project
Lea County, New Mexico

Dear Mr. Harris:

In order to process your request to increase the surface injection pressure on three wells within the North Vacuum Abo North Unit Waterflood Project, I will need the following additional information:

- a) ✓ API number for each well;
- b) ✓ Well location (Footage, Unit Letter, Section, Township, Range);
- c) ✓ Division order number that authorized injection into each of these wells;
- d) ✓ Tabular test data; and
- e) ✓ Test date for each well.

Your application will be processed upon receipt of the requested data.

Sincerely,

David Catanach
Engineer

Xc: Correspondence File-2001

NVANU 5B WELL #/

Stage	Rate	Pressure
1	82	3732
2	244	3975
3	403	4065
4	648	4205
5	907	4330
6	1440	4547
7	2088	4795
8	730	4260

REPORTING FIELD.....4031
 WELL..... 20014 001 NVANU "18" A#1
 FIELD..... 4031 VACUUM ABO
 LOCATION..
 PUMPER.....
 STATUS.....

VACUUM ABO

OPENING STOCK.. 1.73
 CLOSING STOCK.. 2.00

EDDIE ELLIOTT JR
 PUMPING

DAY	OIL	GAS	WATER	TP	CHOKE	HRS	REMARKS
01	4.97	2	.95	0/	00/00	0	
02	4.97	2	.98	0/	00/00	0	
03	4.91	2	1.11	0/	00/00	0	
04	5.09	3	1.04	0/	00/00	0	
05	4.96	2	.96	0/	00/00	0	
06	4.16	2	.99	0/	00/00	0	163,20-1,4A-2 DN ELECT
07	5.21	2	.95	0/	00/00	0	
08	4.90	2	.99	0/	00/00	0	
09	4.98	3	.88	0/	00/00	0	
10	4.84	2	.94	0/	00/00	0	
11	4.81	2	.91	0/	00/00	0	
12	4.64	2	1.07	0/	00/00	0	19-3 DN RESET
13	4.87	2	1.05	0/	00/00	0	2A-2 RP
14	4.79	3	.98	0/	00/00	0	2A-2 RP
15	4.88	2	1.00	0/	00/00	0	2A-2 RP
16	4.09	2	.96	0/	00/00	0	73,2A-2 RO HO 12A-2,20-1,19
17	5.16	2	.98	0/	00/00	0	73,2A-2 RP
18	4.78	2	1.02	0/	00/00	0	73,2A-A RP
19	4.27	2	.93	0/	00/00	0	2A-2 RP 73 PUMP UP
20	3.82	2	.97	0/	00/00	0	163 BELTS OFF 194,19-3 DN
21	3.44	2	1.34	0/	00/00	0	12A-2,12A-1,73,3-2,4A-2,19-
22	4.62	2	1.17	0/	00/00	0	14-4 RP
23	4.87	3	1.20	0/	00/00	0	14-4 RP
24	4.78	3	1.01	0/	00/00	0	14-4 RP
25	4.96	3	1.19	0/	00/00	0	14-4 ROD
26	4.86	3	1.17	0/	00/00	0	73 RP
27	4.72	3	1.20	0/	00/00	0	14-4 RP
28	4.88	3	1.21	0/	00/00	0	14-4 RP
29	4.88	2	1.14	0/	00/00	0	14-4 RP
30	4.79	3	1.24	0/	00/00	0	PL 23,936 14-4 RP
141.90		70	31.53	PRODUCED 30 DAYS			

TOTAL OIL SALES...

141.63

OWNERS RECEIVING REPORTS

NVANU 10 WELL #1

Stage	Rate	Pressure	Start Pressure	3100
1	720	3350		
2	1080	3765		
3	1440	4085		
4	2800	4820		
5	3600	5144		
6	4320	5380		
7	1780	4498		
8				

REPORTING FIELD.....4031
 WELL..... 20011 004 NVANU "14" #4
 FIELD..... 4031 VACUUM ABO
 LOCATION..
 PUMPER..... EDDIE ELLIOTT JR
 STATUS..... PUMPING

VACUUM ABO

OPENING STOCK.. 27.65
 CLOSING STOCK.. .00

DAY	OIL	GAS	WATER	TP	CHOKE	HRS	REMARKS
01	61.62	24	45.61	0/	00/00	0	
02	61.63	24	47.19	0/	00/00	0	
03	60.86	25	53.47	0/	00/00	0	
04	63.12	26	49.81	0/	00/00	0	
05	61.56	26	46.00	0/	00/00	0	
06	51.59	22	47.53	0/	00/00	0	163,20-1,4A-2 DN ELECT
07	64.55	19	45.64	0/	00/00	0	
08	60.76	24	47.76	0/	00/00	0	
09	61.69	26	42.30	0/	00/00	0	
10	59.96	24	45.35	0/	00/00	0	
11	59.67	21	43.63	0/	00/00	0	
12	57.52	22	51.18	0/	00/00	0	19-3 DN RESET
13	60.42	25	50.32	0/	00/00	0	2A-2 RP
14	59.46	26	47.10	0/	00/00	0	2A-2 RP
15	60.50	25	47.88	0/	00/00	0	2A-2 RP
16	50.67	24	46.02	0/	00/00	0	73,2A-2 RO HO 12A-2,20-1,19
17	63.97	22	47.23	0/	00/00	0	73,2A-2 RP
18	59.31	25	48.86	0/	00/00	0	73,2A-A RP
19	52.94	25	44.66	0/	00/00	0	2A-2 RP 73 PUMP UP
20	47.39	23	46.55	0/	00/00	0	163 BELTS OFF 194,19-3 DN
21	.00	0	.00	0/	00/00	0	12A-2,12A-1,73,3-2,4A-2,19-
22	.00	0	.00	0/	00/00	0	14-4 RP
23	.00	0	.00	0/	00/00	0	14-4 RP
24	.00	0	.00	0/	00/00	0	14-4 RP
25	.00	0	.00	0/	00/00	0	14-4 ROD
26	.00	0	.00	0/	00/00	0	73 RP
27	.00	0	.00	0/	00/00	0	14-4 RP
28	.00	0	.00	0/	00/00	0	14-4 RP
29	.00	0	.00	0/	00/00	0	14-4 RP
30	.00	0	.00	0/	00/00	0	PL 23,936 14-4 RP
	1179.19	478	944.09				PRODUCED 20 DAYS

TOTAL OIL SALES... 1206.84

OWNERS RECEIVING REPORTS

NVANU 13 WELL #1

Stage	Rate	Pressure	Start Pressure	4050 PSI
1	28	3900		
2	110	4100		
3	432	4395		
4	720	4465		
5	880	4523		
6	72	4010		
7	216	4320		
8				

REPORTING FIELD.....4031
 WELL..... 20012 002 NVANU "16" #2
 FIELD..... 4031 VACUUM ABO
 LOCATION...
 PUMPER.....
 STATUS.....

VACUUM ABO

OPENING STOCK.. .87
 CLOSING STOCK.. .81

EDDIE ELLIOTT JR
 PUMPING

DAY	OIL	GAS	WATER	TP	CHOKE	HRS	REMARKS
01	1.99	1	.00	0/	00/00	0	
02	1.99	1	.00	0/	00/00	0	
03	1.96	1	.00	0/	00/00	0	
04	2.04	1	.00	0/	00/00	0	
05	1.99	1	.00	0/	00/00	0	
06	1.66	1	.00	0/	00/00	0	163,20-1,4A-2 DN ELECT
07	2.08	1	.00	0/	00/00	0	
08	1.96	1	.00	0/	00/00	0	
09	1.99	1	.00	0/	00/00	0	
10	1.93	1	.00	0/	00/00	0	
11	1.92	1	.00	0/	00/00	0	
12	1.86	1	.00	0/	00/00	0	19-3 DN RESET
13	1.95	1	.00	0/	00/00	0	2A-2 RP
14	1.92	1	.00	0/	00/00	0	2A-2 RP
15	1.95	1	.00	0/	00/00	0	2A-2 RP
16	1.63	1	.00	0/	00/00	0	73,2A-2 RO HO 12A-2,20-1,19
17	2.06	1	.00	0/	00/00	0	73,2A-2 RP
18	1.91	1	.00	0/	00/00	0	73,2A-A RP
19	1.71	1	.00	0/	00/00	0	2A-2 RP 73 PUMP UP
20	1.53	1	.00	0/	00/00	0	163 BELTS OFF 194,19-3 DN
21	1.38	1	.00	0/	00/00	0	12A-2,12A-1,73,3-2,4A-2,19-
22	1.85	1	.00	0/	00/00	0	14-4 RP
23	1.95	1	.00	0/	00/00	0	14-4 RP
24	1.91	1	.00	0/	00/00	0	14-4 RP
25	1.99	1	.00	0/	00/00	0	14-4 ROD
26	1.95	1	.00	0/	00/00	0	73 RP
27	1.89	1	.00	0/	00/00	0	14-4 RP
28	1.95	1	.00	0/	00/00	0	14-4 RP
29	1.95	1	.00	0/	00/00	0	14-4 RP
30	1.92	1	.00	0/	00/00	0	PL 23,936 14-4 RP
	56.77	30	.00				PRODUCED 30 DAYS

TOTAL OIL SALES... 56.83

OWNERS RECEIVING REPORTS



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

July 5, 2001

Sage Energy Company
P.O. Drawer 3068
Midland, Texas 79702

Attention: Mr. George M. Harris, Jr.

Re: Injection Pressure Increase
North Vacuum Abo North Unit WF Project
Lea County, New Mexico

Dear Mr. Harris:

In order to process your request to increase the surface injection pressure on three wells within the North Vacuum Abo North Unit Waterflood Project, I will need the following additional information:

- a) API number for each well;
- b) Well location (Footage, Unit Letter, Section, Township, Range);
- c) Division order number that authorized injection into each of these wells;
- d) Tabular test data; and
- e) Test date for each well.

Your application will be processed upon receipt of the requested data.

Sincerely,

David Catanach
Engineer

Xc: Correspondence File-2001

117029773

1P1-158

N/R

Rec'd
6/12/01

SAGE ENERGY COMPANY

P. O. DRAWER 3068

MIDLAND, TEXAS 79702

915/688-5271

Howard
to David
Catanach

June 5, 2001

State of New Mexico
Oil Conservation Division
P.O. Box 2088
Santa Fe, NM. 87504

Attn: Mr. Mark Ashley

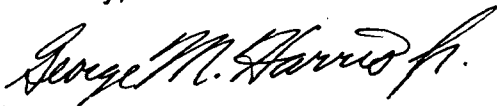
Re: Injection Pressure Increase
North Vacuum (Abo) North Unit Waterflood Project
Lea County, New Mexico

Dear Mr. Ashley:

Sage Energy Company respectfully requests permission from the OCD to increase the maximum allowable surface injection pressure for three injection wells. This request is based on step rate tests performed June 2, 2001.

Enclosed are three step rate tests and a table outlining the prior maximum injection pressure set by the state and the requested allowable increase.

Yours truly,



George M. Harris, Jr.
Engineer

Cc: OCD - Hobbs

June 5, 2001

Sage Energy Company

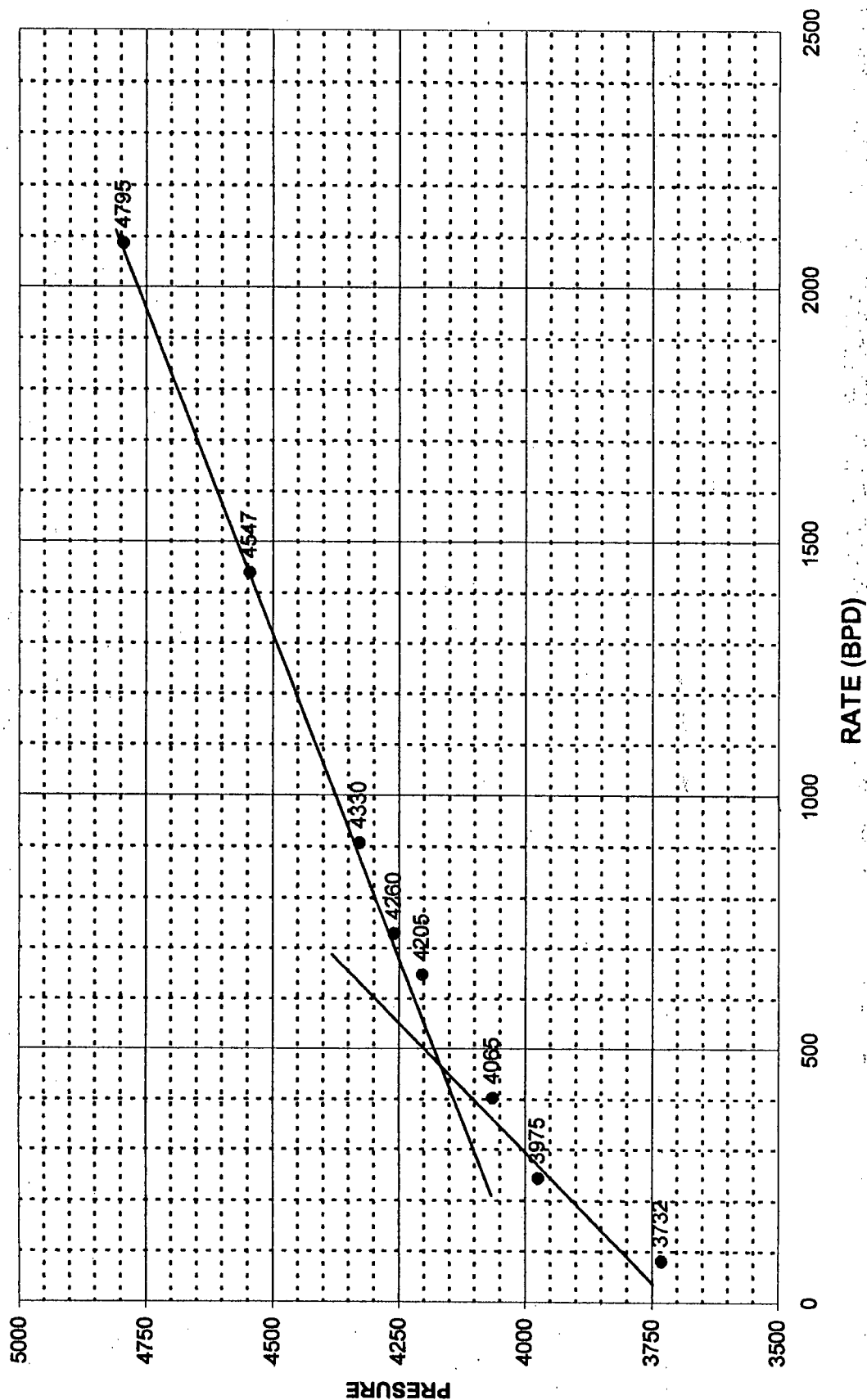
Injection Pressure Increase
North Vacuum (Abo) North Unit Waterflood Project
Lea County, New Mexico

INJECTION WELL	CURRENT MAXIMUM INJECTION WHP	REQUESTED MAXIMUM INJECTION WHP
NVANU 5B #1	3945#	4115# - 50 =
NVANU 10 #1	3670#	4410# - 50 =
NVANU 13 #1	4100#	4270# - 50 =

4065
4360
4220

SAGE ENERGY COMPANY
NORTH VACUUM ABO NORTH UNIT
STEP RATE TEST

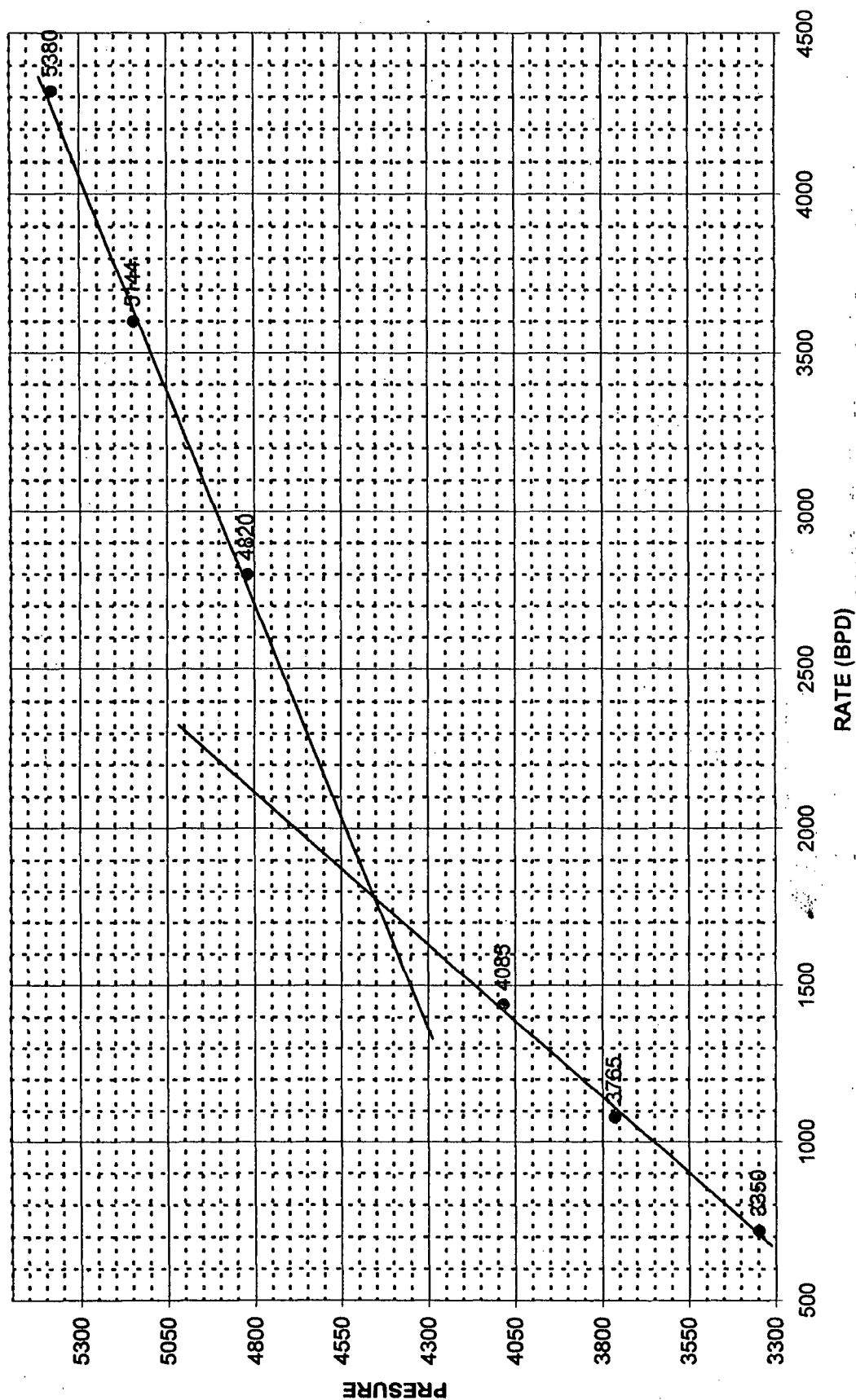
NVANU 5B WELL #1



DATE: JUNE 2, 2001
INTERCEPT: 4165 psig

SAGE ENERGY COMPANY
NORTH VACUUM ABO NORTH UNIT
STEP RATE TEST

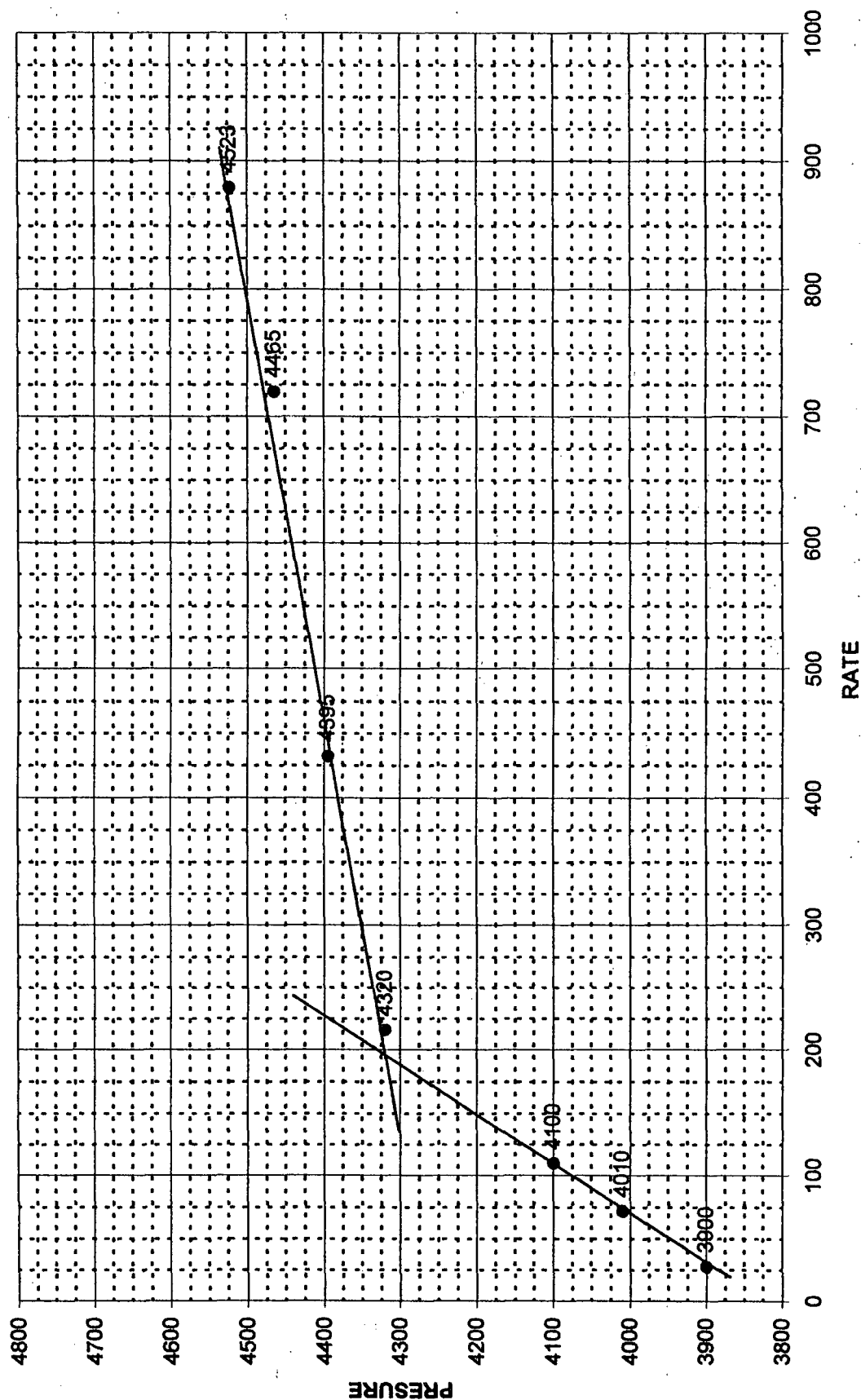
NVANU 10 WELL #1



DATE: JUNE 2, 2001
INTERCEPT: 4460 psig

SAGE ENERGY COMPANY
NORTH VACUUM ABO NORTH UNIT
STEP RATE TEST

NVANU 13 WELL #1



DATE: JUNE 2, 2001
INTERCEPT: 4320 psig