

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

January 15, 1990

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

Sirgo Operating Inc.
P.O. Box 3531
Midland, Texas 79702

Attention: Victor J. Sirgo

Re: 2nd Amendment, Division Order No. WFX-570

Dear Mr. Sirgo:

Reference is made to your recent request to in effect rescind the letter amendment to Division Order No. WFX-570, dated May 16, 1989. Our records indicate that by Order No. WFX-570, Sirgo-Collier Inc. was authorized to drill 52 injection wells within the West Dollarhide Queen Sand Unit Waterflood Project. Our records further indicate that by amendment to said Order No. WFX-570, dated May 16, 1989, Sirgo Operating Inc. was authorized to reenter and convert to injection, 13 previously approved injection wells in lieu of drilling 13 of the wells approved by WFX-570. It is our understanding that the proposed reentry of these 13 wells has proven to be impractical, and that you now seek to reinstate the authority to drill and convert to injection, the 13 wells originally approved by Order WFX-570.

Inasmuch as your request is reasonable, Division Order No. WFX-570, as amended, is hereby amended as follows:

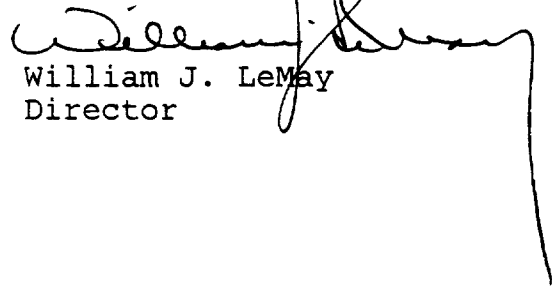
1. Injection authority, previously authorized by Division Order No. WFX-570, and subsequently rescinded by letter amendment to Order WFX-570, is hereby reinstated as it pertains to the following described wells:

West Dollarhide Queen Sand Unit Well Nos. 128, 129, 131, 108, 152, 153, 133, 110, 136, 138, 139, 140 and 143.

2. Injection authority, previously authorized by letter amendment to Division Order No. WFX-570, is hereby rescinded as it pertains to the following described wells:

West Dollarhide Queen Sand Unit Well Nos. 2, 22, 30, 39, 3, 5, 7, 15, 19, 27, 32, 34 and 38.

Sincerely,

A handwritten signature in cursive script, appearing to read "William J. LeMay". The signature is written in black ink and is positioned above the printed name and title.

William J. LeMay
Director

xc: OCD-Hobbs
Tim Gallegos
File-WFX-570