



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,

A handwritten signature in black ink that reads "Mark E. Fesmire, P.E." followed by a stylized initial "DCE".

Mark E. Fesmire, P.E.
Director

Xc: OCD-Hobbs
Case File-12208
Well File

580 WESTLAKE PARK BLVD., SUITE 600

HOUSTON, TEXAS 77079

281/677-2800

FAX 281/677-2810

RECEIVED

JAN 11 2005

OIL CONSERVATION
DIVISION



January 7, 2005

David Catanach
State of New Mexico
Energy Minerals and Natural Resources
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Re: Order No. R11254
ESDU # 21 located in
Sec. 19-T18S-R32E
Lea Co., MNM

David,

In the original subject order in 1999, the ESDU #21 well was located 1193' FNL & 1018' FWL of Sec. 19-18S-32E. The subject well is now staked and will be drilled at 1000' FWL & 1425' FNL because of the existence of oil pipelines to the north.

Yours truly,

A handwritten signature in black ink, appearing to read "Dennis Goins", is written over the typed name.

Dennis Goins

Operations Engineer