



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

April 18, 2006

Seely Oil Company
c/o Ms. Ocean Munds-Dry
Holland & Hart L.L.P.
P.O. Box 2208
Santa Fe, New Mexico 87504-2208

Attention: Ms. Ocean Munds-Dry

Re: Extension of Injection Provisions
Division Order No. R-11929

Dear Ms. Munds-Dry:

As per your request dated April 14, 2006, and for the reasons outlined in your letter, a one-year extension of time in which to convert the wells to injection within the EK Penrose Sand Unit Waterflood Project, all as shown on Exhibit "A" to Division Order No. R-11929 dated April 16, 2003, is hereby granted.

The injection authority for these wells shall expire on April 16, 2007 if the operator has not commenced injection operations.

All other provisions contained within Division Order No. R-11929 shall remain in full force and effect.

Sincerely,

Mark E. Fesmire, P.E.
Division Director

Xc: OCD-Hobbs
Case File 12964