

PROPOSED ADVERTISEMENT

OIL CONSERVATION DIV.

Case 12208:

99 MAY 25 AM 11:27

Application of St. Mary Land & Exploration Company for approval of a waterflood project and to qualify the project for the recovered oil tax rate pursuant to the Enhanced Oil Recovery Act, Eddy and Lea Counties, New Mexico. Applicant seeks approval of its East Shugart (Delaware) Unit Waterflood Project by the injection of water into the Brushy Canyon formation of the Delaware Mountain Group through 9 wells located in the following area:

Township 18 South, Range 31 East, NMPM

Section 13: S $\frac{1}{2}$ SE $\frac{1}{4}$

Section 24: NE $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$

Township 18 South, Range 32 East, NMPM

Section 18: Lot 4

Section 19: Lots 1-3, E $\frac{1}{2}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$

Applicant further seeks to qualify the project for the recovered oil tax rate pursuant to the "New Mexico Enhanced Oil Recovery Act" (Laws 1992, Chapter 38, Sections 1 through 5). Said project is located approximately 11.5 miles southeast of Loco Hills, New Mexico.