

TRIUMPH EXPLORATION, INC.

1608 N. BIG SPRING STREET

P.O. BOX 10280

MIDLAND, TEXAS 79702

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October 21, 1999

Lori Wrotenbery, Director

OIL CONSERVATION DIVISION

New Mexico Department of Energy,

Minerals and Natural Resources

2040 South Pacheco Street

Santa Fe, New Mexico 87505

Re: Application of Triumph for Tertiary Enhanced Oil Recovery Project Qualification, (by Micro Emulsion flooding), for the Recovered Oil Tax Rate for the Tonto Lease Project Area, Lea County, New Mexico

Dear Ms. Wrotenbery:

Triumph Exploration, Inc., (Triumph) hereby makes application to qualify the Tonto Lease Project Area for the recovered oil tax rate as authorized by the Enhanced Oil Recovery Act. Triumph plans to convert wells in order to commence Tertiary recovery project by micro emulsion flooding and is making application pursuant to the rules promulgated by Commission Order No. R-9708 entered August 27, 1992.

In accordance with Order No. R-9082, Triumph provides the following information:

A. Operator's name and address:

Triumph Exploration, Inc.

P.O. Box 10280

Midland, Texas 79702

B. Description of Project Area:

1. A plat showing the project area is attached hereto as Exhibit A
2. Description of Project Area:
Township 19 South, Range 33 East, N.M.P.M.,
Section 30, SW/4, N/2 SE/4, SE/4 SE/4
Lea County, New Mexico

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Case No. 12271 Exhibit No. 6
Submitted by: Triumph Exploration, Inc.
Hearing Date: October 21, 1999

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3. Total Acres in project area: 280 acres
4. Name of the subject pool and formation:

South Tonto-Yates - Seven Rivers Pool
Yates 7 Rivers Formation

C. Status of operations in the project area:

The Tonto Lease Project Area approved by Oil Conservation Division Order No. 9082.

Waterflood operations have not been conducted as of this date - water is not being injected as of this date. (see page 3)

D. Method of recovery to be used:

1. Injection fluids: makeup water from Capital Reef, produced water from project and naturally occurring microorganisms.

E. Description of Project:

1. List of Producing wells: Exhibit B attached hereto
2. List of injection wells: Exhibit B attached hereto
3. Capital cost of additional facilities: \$1.5 million
4. Total Cost of additional facilities: \$1.57 million (\$70,000 for microemulsion)
5. Estimated total value of the additional production that will be recovered as a result of the project expansion: An additional 506,000 barrels of oil valued at \$9,108,000.
6. Anticipated date for commencement of injection: November 1, 1999 or ASAP.
7. Type of fluid to be injected and the anticipated volume" makeup water from Capital Reef, produced water from project and naturally occurring microorganisms. Fluid will be injected at an anticipated daily rate of 1200 BWPD in the project area.
8. Explanation of changes in technology:

The project involved the development of the South Tonto Yates - Seven Rivers Pool with waterflooding. The change involves the addition of microorganisms to aid in a better sweep efficiency of the reservoir and thus add valuable additional recoverable barrels of oil to this tertiary project.

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F. Project history and forecast:

See the production curves marked Exhibits C and D which show the production history and forecast, respectively, for the project area.

Very truly yours,

TRIUMPH EXPLORATION, INC.

A handwritten signature in black ink, appearing to read "Randall Foster", written in a cursive style.

Randall Foster
President

EXHIBIT A: Plat of Project Area

EXHIBIT B: Table of wells in the Project Area

EXHIBIT C: Historical Production Curve

EXHIBIT D: Production forecast

EXHIBIT "B"

TWIN LAKES SAN ANDRES UNIT

<u>WELL NAME</u>	<u>LOCATION</u>	<u>STATUS</u>	<u>NEW STATUS</u>
Tonto #2	30,T19S-R33E, 400' FNL & 2310' FEL	Current Producer	Injection Well
Tonto #7	30,T19S-R33E, 1650' FSL & 990' FEL	Injection Well	Injection Well
Tonto 9Y	30,T19S-R33E, 990' FEL, 1650' FSL	Current Producer	Injection Well
<u>Producing Wells</u>			
Tonto #1	N. Sec. 30, T19S, R33E, 990' FSL & 2310' FWL	Current Producer	Current Producer
Tonto #3	K. Sec. 30, T19S, R33E, 1650' FSL & 1650' FWL	Current Producer	Current Producer
Tonto #4	N. Sec. 30, T19S, R33E, 990' FSL & 990' FEL	Current Producer	Current Producer
Tonto #5	J. Sec. 30, T19S, R33E, 1650' FSL & 2310' FEL	Current Producer	Current Producer
Tonto #6	P. Sec. 30, T19S, R33E, 990' FSL & 990' FEL	Current Producer	Current Producer
Tonto #8	J. Sec. 30, T19S, R33E, 1790' FSL & 1710' FEL	Current Producer	Current Producer
Tonto #10	N. Sec. 30, T19S, R33E, 1650' FWL & 1980' FSL	Current Producer	Current Producer
Tonto #11	L. Sec. 30, T19S, R33E, 1700' FSL & 990' FWL	Current Producer	Current Producer