

OIL CONSERVATION DIV.
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**STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION**

**IN THE MATTER OF THE APPLICATION
OF TRIUMPH EXPLORATION, INC. FOR AMENDMENT
OF DIVISION ORDER NO. R-9082 TO AUTHORIZE A
TERTIARY RECOVERY PROJECT BY MICRO EMULSION
FLOODING IN ITS TONTO LEASE WATER FLOOD
PROJECT AREA, SOUTH TONTO YATES-SEVEN RIVERS
POOL AND TO QUALIFY SAID PROJECT FOR THE
RECOVERED OIL TAX RATE PURSUANT
TO THE ENHANCED OIL RECOVERY ACT,
LEA COUNTY, NEW MEXICO.**

CASE NO. 12271

APPLICATION

TRIUMPH EXPLORATION, INC. ("Triumph") through its attorneys, Campbell, Carr, Berge & Sheridan, P. A., hereby makes application for an order amending Division Order No. R-9082, as expanded by Administrative Order No. WFX-689, to authorize tertiary recovery by micro emulsion flooding into the Yates-Seven Rivers formation in its Wallen Tonto Water flood Project Area, South Tonto Yates-Seven Rivers Pool, and to qualify this project for the Recovered Oil Tax Rate pursuant to the New Mexico Enhanced Oil Recovery Act, and in support thereof states:

1. By Order No. R-9082, dated December 14, 1989, the Division granted the application of Wallen Production Company for approval of a water flood project on the following-described portion of its Tonto Lease in Lea County, New Mexico ("hereinafter referred to as the "Tonto Lease Project Area"):

TOWNSHIP 19 SOUTH, RANGE 33 EAST, N.M.P.M.

Section 30: SW/4, N/2 SE/4, and SE/4 SE/4

2. Pursuant to the provisions of Division Order No. R-9082 a water flood project was approved for the Tonto Lease Project Area for the injection of water into the South Tonto Yates-Seven Rivers Pool through the Wallen Tonto Well No. 7 located 1650 feet from the South line and 990 feet from the East line (Unit I) of said Section 30.

3. Triumph is the successor operator to Wallen Production Company of the Tonto Lease.

4. Triumph seeks amendment of Order No. R-9082 to authorize the implementation of tertiary recovery operations in the Tonto Lease Project Area by the implementation of micro emulsion flooding into the Yates-Seven Rivers formation. Triumph's application for the expansion of this project is being filed on Division Form C-108 contemporaneously with this application.

5. Triumph also seeks to qualify this tertiary recovery project for the Recovered Oil Tax Rate pursuant to the Enhanced Oil Recovery Act.

6. Approval of this application will afford Triumph the opportunity to produce its just and equitable share of the remaining reserves in the Tonto Lease Project Area and will otherwise be in the best interest of the conservation, the protection of correlative rights and the prevention of waste.

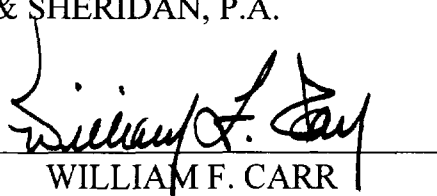
WHEREFORE, Triumph Exploration, Inc. requests that this matter be set for hearing

before a duly appointed Examiner of the Oil Conservation Division on October 7, 1999, and after notice and hearing as required by law, the Division enter its Order granting this application.

Respectfully submitted,

CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.

By:

A handwritten signature in black ink, appearing to read "William F. Carr", is written over a horizontal line.

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ATTORNEYS FOR TRIUMPH
EXPLORATION, INC.

CASE 12271:

Application of Triumph Exploration, Inc. for amendment of Division Order No. R-9082 to authorize a tertiary recovery project by the micro emulsion flooding in its Tonto Lease Project Area, and to qualify this project for the recovered oil tax rate pursuant to the Enhanced Oil Recovery Act, Lea County, New Mexico. Applicant seeks approval to institute a secondary recovery project in its Tonto Lease Project Area by micro emulsion flooding of the Yates-Seven Rivers in the South Tonto Yates-Seven Rivers Pool. This Project Area encompasses the SW/4, N/2 SE/4 and the SE/4 SE/4 Section 30, Township 19 South, Range 33 East, N.M.P.M. Applicant also seeks to qualify the project area for the recovered oil tax rate pursuant to the "New Mexico Enhanced Oil Recovery Act" (Laws 1992, Chapter 38, Sections 1 through 5). Said lease is located approximately 24 miles West of Hobbs, New Mexico.

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