

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON Governor Jennifer A. Salisbury Cabinet Secretary

August 28, 2001

Lori Wrotenbery Director Oil Conservation Division

Sapient Energy Corporation 8801 South Yale Suite 150 Tulsa, Oklahoma 74137

Attention: Mr. Charles H. Perrin

Re: Extension of Authority to Inject Division Order No. R-11375 West Teas (Yates-Seven Rivers) Unit Lea County, New Mexico

Dear Mr. Perrin:

Reference is made to your letter dated July 26, 2001, whereby you requested an additional six month period in which to implement waterflood operations within six injection wells, as shown on Exhibit "A" attached hereto, within your West Teas (Yates-Seven Rivers) Unit Waterflood Project. Pursuant to the February 26th, 2001 extension letter, the authority to inject into these wells will expire on November 18, 2001, if the operator has not commenced injection operations.

For the reasons outlined in your letter, Sapient Energy Corporation is hereby granted an additional six month period in which to implement waterflood operations within the West Teas (Yates-Seven Rivers) Unit Waterflood Project. The injection authority for the six wells shown on Exhibit "A" shall terminate on May18, 2002, if the operator has not yet commenced injection operations, provided however, the Division Director may grant an extension thereof for good cause.

Sincerely,

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Lori Wrotenbery Director

Xc: Case File-12272/12331/12332 OCD-Hobbs

EXHIBIT "A" DIVISION ORDER NO. R-11375 West Teas (Yates - Seven Rivers) Unit Waterflood Project Township 20 South, Range 33 East, NMPM, Lea County, New Mexico Approved Injection Wells

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Well Name Well Number (API Number)	Footage Location	Unit	Section	Injection Perforations (Feet)	Packer Depth (Feet)	Tubing Size (Inch)	Maximum Injection Pressure (psia)
Anasazi "4" State Well No. 3 (API No. 30-025-32032)	1650' FSL & 1980' FEL	L	4	3230 - 3426	3130	2 - 7/8	646
Scharbauer "4" Weil No. 3 (.API No. 30-025-32102)	660' FS & EL	Р	4	3104 - 3312	3000	2 - 3/8	621
Federal "9" Well No. 3 (<i>API No. 30-025-31896</i>)	330' FNL & 2310' FWL	С	9	3147 - 3409	3050	2 - 3/8	630
Barber Federal Well No. 2 (.4PI .No. 30-025-29971)	1980' FNL & 660' FWL	E	9	3138 - 3374	3030	2 - 3/8	628
Federal "9" Weil No. 6 (<i>API No. 30-025-32517</i>)	1650' FNL & 990' FEL	н	9	3060 - 3260	2950	2 - 3/8	612
State "BF" Well No. 4 (<i>API No. 30-025-33144</i>)	330' FN & EL	A	16	3150 - 3361	3050	2 - 7/8	630