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July 26, 2001

Mr. David Catanach
NEW MEXICO OIL CONSERVATION DIVISION
1220 South Saint Francis Drive
Santa Fe, NM 87504

**Re: Request for Extension to Implement Waterflood
WEST TEAS UNIT
Case No. 12332, Order No. R-11375
Lea County, New Mexico**

Dear Mr. Catanach:

On May 18, 2000 your office granted Falcon Creek Resources, Inc. authority for a period of one year to implement the captioned waterflood. A copy of the Exhibit "A" to the Order, showing the six (6) injection wells, is attached for your convenience.

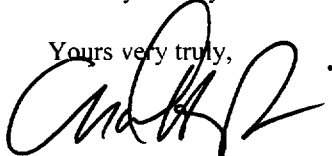
Because Falcon Creek was merged into Sapient Energy Corp. on July 14, 2000 a six month extension was requested and granted by your office on February 26, 2001. A copy of said letter is also attached for your convenience. The authority to inject now expires on November 18, 2001.

The purpose of this letter is to request an additional six month period to inject due to the longer than anticipated time required to close the Falcon Creek Denver office and the recruitment and hiring of qualified Permian Basin personnel. Moreover, Sapient has hired a Houston based consulting engineering firm to evaluate all of its properties including the subject waterflood in order to evaluate further merger opportunities. Those evaluations are only now being finalized.

Therefore, we respectfully request a six month extension from November 18, 2001 until May 18, 2002 to commence flood implementation.

Thank you for your consideration in this matter. Should you have any questions, please give me a call.

Yours very truly,



Charles H. Perrin

OIL CONSERVATION DIV.
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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

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	J	4	3230 - 3426	3130	2 - 7/8	646
Scharbauer "4" Well No. 3 (API No. 30-025-32102)	660' FS & EL	P	4	3104 - 3312	3000	2 - 3/8	621
Federal "9" Well No. 3 (API No. 30-025-31896)	330' FNL & 2310' FWL	C	9	3147 - 3409	3050	2 - 3/8	630
Barber Federal Well No. 2 (API No. 30-025-29971)	1980' FNL & 660' FWL	E	9	3138 - 3374	3030	2 - 3/8	628
Federal "9" Well No. 6 (API No. 30-025-32517)	1650' FNL & 990' FEL	H	9	3060 - 3260	2950	2 - 3/8	612
State "BF" Well No. 4 (API No. 30-025-33144)	330' FN & EL	A	16	3150 - 3361	3050	2 - 7/8	630

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OLIVER, J. A. / DM