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

IN THE MATTER OF THE APPLICATION OF SAGA PETROLEUM, L.L.C. STATUTORY UNITIZATION, LEA COUNTY, NEW MEXICO.

CASE NO. 12417 (Reopened)

<u>AFFIDAVIT</u>

STATE OF NEW MEXICO)) ss.) ss.COUNTY OF SANTA FE)

William F. Carr, attorney in fact and authorized representative of Saga Petroleum, L.L.C., the applicant herein, being first duly sworn, upon oath, states that notice has been given to all interested parties entitled to receive notice of this application under Oil Conservation Division rules, and that notice has been given at the addresses shown on Exhibit "A" attached hereto.

SUBSCRIBED AND SWORN to before me this 2/ day of June, 2001.

'ublic Notary

My Commission Expires:

aug 21,

BEFORE THE OIL CONSERVATION DIVISION Santa Fe, New Mexico Case No. <u>12417 (Reopened)</u> Exhibit A Submitted by: <u>Saga Petroleum, L.L.C.</u> Hearing Date: <u>July 12, 2001</u>

EXHIBIT A

Statutory Unitization N/2 SE/4, Section 27 and the E/2 of Section 34 Township 9 South, Range 36 East, NMPM LeaCounty, New Mexico

Susie L. Wadley - First Trust Ellione M. Sinclair - Trustee Northern Trust Bank #23072050 P.O. Box 226270 Dallas, TX 75222-6270

Forcenergy, Inc. Forcenergy Center - Susan Cook 3838 N. Causeway Blvd., #2300 Metairie, LA 70002

Floos Inc. P.O. Box 5970 Hobbs, NM 88241-5970

William Marsh Rice University 447 Allen Center, MS-91 6100 Main Street Houston, TX 77005-1892

Candace G. Jacobson Box 2981 Ruidoso, NM 883458-2981

Thomas J. Good, III P.O. Box 130 Nogal, NM 88341

Price and CIA, Inc. Dixie Term Building 49 E. 4th Street, Suite 216 Cincinnati, OH 45202-3854

Gerald D. Mills 14 E. Hawthorne Drive Asheville, NC 28802 Yuma Exploration & Production 1177 West Loop South, Suite 1825 Houston, TX 77027

Myrl Sawyer Good 2707 North Coronado Road Roswell, NM 88201-3464

Beja Embry Poky 2005 Valley View Drive Woodland Park, CO 80863

Perry & Patricia Shaw Trust 23683 Elmwood Drive Porter, TX 77365-5101

Marius Jensen Nygaard, Jr. 155 W. 68th Street New York, NY 10023-5808

Sandra Good Ramey Trust Myrl Good Trustee 2707 North Coronado Drive Roswell, NM 88201-3464

Allan Capital Corporation 825 Lenton Avenue Baltimore, MD 21212-3238

H. Wayne Hoover 2122 40th Avenue Greeley, CO 80634

Mystique Resources Company 1975 E. Otero Lane Littleton, CO 80122-3248

Edward J. Names 1738 W. Chokecherry Drive Louisville, CO 80027 C.L. Nordstrom 1735 Clark Street Aurora, CO 80011

Bruce M. Patterson d/b/a Patterson Group P.O. Box 620457 Littleton, CO 70162-0457

Yellow Queen Uranium Company 1647 Court Place, Suite 326 Denver, CO 80202

C. Thomas Houseman 39 Crystal Lane Sandia Park, NM 87047

Prince Minerals, LTD #301 LB 35 7001 Preston Road Dallas, TX 75205

Elloine M. Sinclair Trustee Susie L. Wadley First Trust C/o Texas Commerce Bk Na Agt Acct No 23-07205 P. O. Box 226270 Dallas, Texas 75222

Robert E. W. Sinclair Trustee of The Sinclair Rev. Trust 7001 Preston Road, Suite 301 Dallas, Texas 75205

Robert E. W. Sinclair Trustee of The Fernald Point Prod. Trust 7001 Preston Road, Suite 301 Dallas, Texas 75205 HOLLAND & HART LLP AND CAMPBELL & CARR

ATTORNEYS AT LAW

DENVER • ASPEN BOULDER • COLORADO SPRINGS DENVER TECH CENTER BILLINGS • BOISE CHEYENNE • JACKSON HOLE SALT LAKE CITY • SANTA FE WASHINGTON, D.C. SUITE 1 110 NORTH GUADALUPE SANTA FE, NEW MEXICO 87501-6525 MAILING ADDRESS P.O. BOX 2208 SANTA FE, NEW MEXICO 87504-2208 TELEPHONE (505) 988-4421 FACSIMILE (505) 983-6043 www.hollandhart.com

June 21, 2001

<u>CERTIFIED MAIL</u> <u>RETURN RECEIPT REQUESTED</u>

TO ALL AFFECTED INTEREST OWNERS

Re: <u>New Mexico Oil Conservation Division Case No. 12417(Reopened)</u>: Application of Saga Petroleum, L.L.C. for statutory unitization, Lea County, New Mexico.

Ladies and Gentlemen:

Saga Petroleum, L.L.C. filed an application with the New Mexico Oil Conservation Division seeking an order statutorily unitizing, for the purpose of establishing a secondary recovery project, all mineral interests in the Devonian formation, Crossroads Siluro-Devonian Pool underlying 800 acres, more or less, of fee lands located in the N/2, SE/4 of Section Sections 27 and the E/2 of Section 34, Township 9 South, Range 36 East, NMPM, Lea County, New Mexico. Said unit is to be designated the Crossroads Siluro-Devonian Unit.

This case was originally heard by a Division Examiner on September 7, 2000, and has been reopened for hearing before a Division Examiner on July 12, 2001. Among the matters to be considered at the hearing will be the necessity of unit operations; the designation of a unit operator; the determination of the horizontal and vertical limits of the unit area; the determination of the fair, reasonable and equitable allocation of production and costs of production, including capital investment, to each of the various tracts in the unit area; the determination of credits and charges to be made among the various owners in the unit area for their investments in wells and equipment; and such other matters as may be necessary and appropriate for carrying on efficient unit operations; including, but not limited to, unit voting procedures, selection, removal or Notice to All Affected Interest Owners June 21, 2001 Page 2

substitution of unit operator, and time of commencement and termination of unit operations. Applicant also requests that any such order issued in this case include a provision for carrying and nonconsenting working interest owners within the unit area upon such terms and conditions to be determined by the Division as just and reasonable.

The July 12, 2001reopened hearing on this application will be held at the Oil Conservation Division hearing room, located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing but, as the owner of an interest that may be affected by this applications, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging this matter at a later date.

Parties appearing in cases are required by Division Rule 1208.B to file a Prehearing Statement three days in advance of a scheduled hearing. This statement must include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

Very truly yours,

William F. Carr Attorney for Saga Petroleum, L.L.C..

WFC/keh

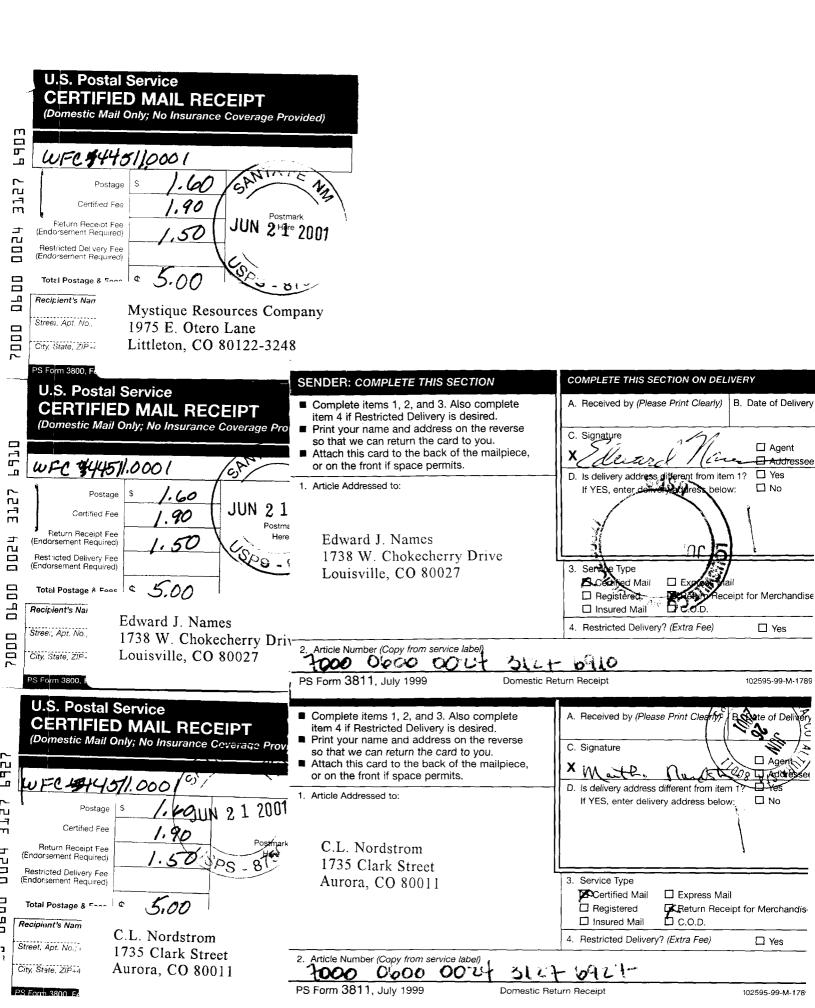
Enclosures

cc: Charles Farmer Saga Petroleum, L.L.C.





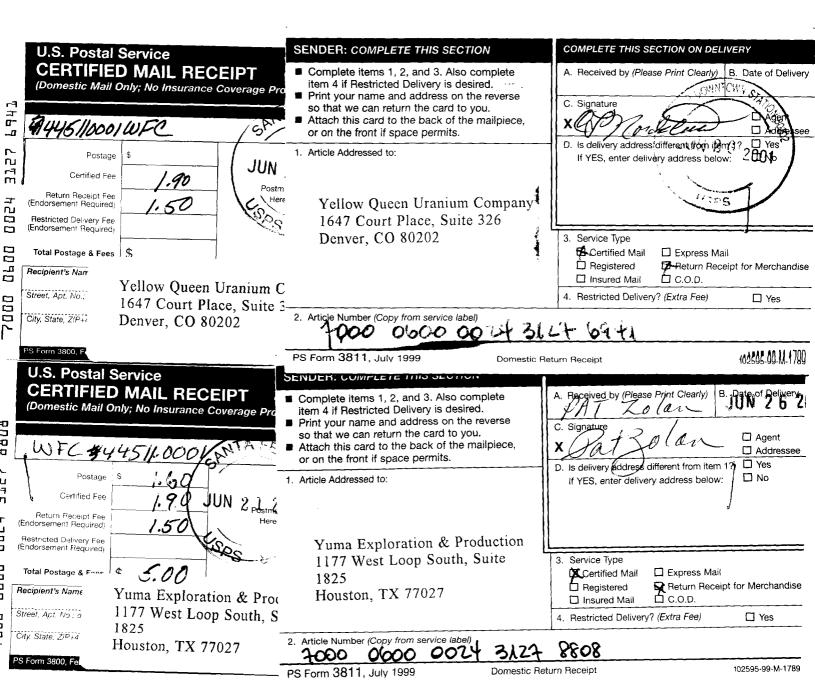




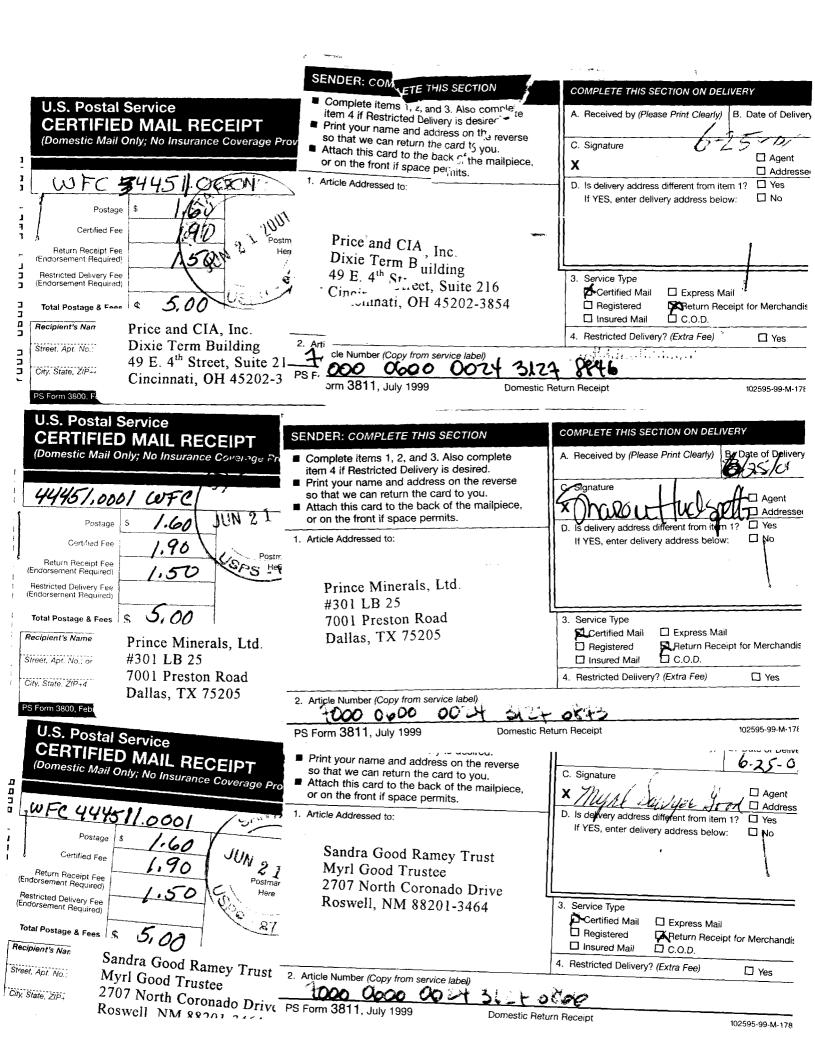








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HOLLAND & HART LLP AND CAMPBELL & CARR ATTORNEYS AT LAW

DENVER • ASPEN BOULDER • COLORADO SPRINGS DENVER TECH CENTER BILLINGS • BOISE CHEYENNE • JACKSON HOLE SALT LAKE CITY • SANTA FE WASHINGTON, D.C.

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SUITE 1 110 NORTH GUADALUPE SANTA FE, NEW MEXICO 87501-6525 MAILING ADDRESS P.O. BOX 2208 SANTA FE, NEW MEXICO 87504-2208 TELEPHONE (505) 988-4421 FACSIMILE (505) 983-6043 www.hollandhart.com

June 21, 2001

<u>CERTIFIED MAIL</u> <u>RETURN RECEIPT REQUESTED</u>

TO ALL AFFECTED INTEREST OWNERS

Re: <u>New Mexico Oil Conservation Division Case No. 12418 (Reopened)</u>: Application of Saga Petroleum, L.L.C. for approval of a waterflood project for its Crossroads Siluro-Devonian Unit Area and qualification of said project for the recovered oil tax rate pursuant to the Enhanced Oil Recovery Act, Lea County, New Mexico.

Ladies and Gentlemen:

This letter is to advise you that Saga Petroleum, L.L.C. has filed an application with the New Mexico Oil Conservation Division seeking an order approving a waterflood project in its proposed Crossroads Siluro-Devonian Unit Area located in portions of Sections 27 and 34 of Township 9 South, Range 36 East, NMPM, Lea County, New Mexico. A copy of this application with attached Form C-108 is enclosed for your information.

This application was originally heard by a Division Examiner on September 7, 2000 and has been reopened for hearing before a Division Examiner on July 12, 2001, at the Oil Conservation Division hearing room, located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing but, as the owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging these matters at a later date.

Parties appearing in cases are required by Division Rule 1208.B to file a Prehearing Statement three days in advance of a scheduled hearing. This statement must include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the Notice to All Affected In. Lest Owners June 21, 2001 Page 2

party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

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William F. Carr Attorney for Saga Petroleum L.L.C..

Enclosures

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STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

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OIL CONSERVATION DIVISION 2040 SOUTH PACHECO SANTA FE, NEW MEXICO 87505

FORM C-108 Revised 4-1-98

APPLICATION FOR AUTHORIZATION TO INJECT

I.	PURPOSE: X Secondary Recovery Pressure Maintenance Disposal Storage Application qualifies for administrative approval? Yes X No
II.	OPERATOR: Saga Petroleum LLC
	ADDRESS:415 W. Wall, #835, Midland, TX 79701
	CONTACT PARTY: Joe Clement PHONE: 915-684-4293
III.	WELL DATA: Complete the data required on the reverse side of this form for each well proposed for injection. Additional sheets may be attached if necessary.
IV.	Is this an expansion of an existing project?YesNo If yes, give the Division order number authorizing the project:
V.	Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.
VI.	Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.
VII.	Attach data on the proposed operation, including:
*VIII.	 Proposed average and maximum daily rate and volume of fluids to be injected; Whether the system is open or closed; Proposed average and maximum injection pressure; Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and, If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.). Attach appropriate geologic data on the injection zone including appropriate lithologic detail, geologic name, thickness, and
	depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.
IX.	Describe the proposed stimulation program, if any.
*X.	Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted).
*XI.	Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.
XII.	Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground sources of drinking water.
XIII.	Applicants must complete the "Proof of Notice" section on the reverse side of this form.
XIV.	Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.
	NAME: Joe N. Clement TITLE: New Mexico Engineer
	SIGNATURE: DATE: S//OD
*	If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted. Please show the date and circumstances of the earlier submittal:

DISTRIBUTION: Original and one copy to Santa Fe with one copy to the appropriate District Office

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£1 £1 £ Method Determined: temp. survey Casing Size: 5 1/2" (a) 4544'-12188' Method Determined: circulation Method Determined: circulation RANGE Casing Size: 9 5/8" @ 4668' Casing Size: 13 3/8" @ 259' 36E 12100' WELL CONSTRUCTION DATA (Perforated or Open Hole; indicate which) TOWNSHIP <u>9</u>S Intermediate Casing Production Casing Injection Interval Surface Casing or or 01 feet to SX. SX. SX. SECTION 27 surface surface 300 6020' 2400 12 1/1" 1175 17 1/2" 7 7/8" 12132' 12085 Top of Cement: _ Top of Cement: _ Top of Cement: _ Cemented with: Cemented with: Cemented with: Total Depth: _ Hole Size: ____ Hole Size: Hole Size: Perfs UNIT LETTER FOOTAGE LOCATION WELL NAME & NUMBER: U.D. Sawyer #4 WELL LOCATION: 660' FNL & 660' FEL WELLBORE SCHEMATIC Saga Petroleum LLC H /////// 1111: **OPERATOR:**

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Well	Location	Surface Casing	Inter. Casing	Prod. Casing	01	Completions	P&A
	Sec. 27-T9S-R36E	13 3/8" @ 240'	9 5/8" @ 4614'	5 1/2" @ 12097'		12040-092	
U.D. Sawyer #2	Unit I	Cmt. w/ 300 sx	Cmt w/ 3500 sx	Cmt w/ 1178 sx	12100	Open hole 12097-102'	<u>.</u>
Spud 6/25/50	1980' FSL & 990' FEL	TOC @ surf by circ.	TOC @ surf by circ.	TOC @ 6320' by TS		12010-016	
	Sec. 27-T9S-R36E	13 3/8 @ 258'	9 5/8" @ 4651'	5 1/2° @ 12147'		12000-050'	
U.D. Sawyer #3	Unit G	Cmt. w/ 300 sx	Cmt w/ 2125 sx	Cmt w/ 1090 sx	12147		
Spud 2/25/49	1980' FNL & 1980' FWL	TOC @ surf by circ.	TOC @ 648' by calc.	TOC @ 6550' by TS			
	Sec. 27-T9S-R36E	13 3/8" @ 259	9 5/8 @ 4668	5 1/2" @ 4544-12147'		11400-450	
U.D. Sawyer #4	Unit A	Cmt. w/ 300 sx	Cmt w/ 2400 sx	Cmt w/ 1175 sx	12132	12085-100° sqz w/ 290sx	
Spud 12/19/51	660' FNL & 660' FEL	TOC @ surf by circ.	TOC @ surf by circ.	TOC @ 6020' by TS		12118-32' sqz w/ 290sx	
	Sec. 27-T9S-R36E	13 3/8 @ 266	9 5/8° @ 4294'	7" @ 12057'		12029-051	P.V/d
U.D. Sawyer #8	Unit B	Cmt. w/ 275 sx	Cmt w/ 1440 sx	Cmt w/ 250 sx	12057		Schematic
Spud 7/11/72	990' FNL & 2310' FEL	TOC @ surf by circ.	TOC @ 1100' by TS	TOC @ 10140' by TS			Attached
	Sec. 27-T9S-R36E	13 3/8" @ 273'	9 5/8" @ 4240'	7" @ 12049'		12020-48' sqz w/ 250sx	P,V/d
U.D. Sawyer #9	Unit H	Cmt. w/ 275 sx	Cmt w/ 1440 sx	Cmt w/ 250 sx	12068	Open hole 12049-068'	Schematic
Spud 9/10/72	1980' FNL & 990' FEL	TOC @ surf by circ.	TOC @ 1520' by TS	TOC @ 9400' by TS		11358-368'	Attached
	Sec. 27-T9S-R36E	13 3/8. @ 326.	8 5/8° @ 4500'	5 1/2" @ 12890'		12120-54' sqz w/ 60 sx	
U.D. Sawyer #11	Unit J	Cmt. w/ 350 sx	Cmt w/ 2000 sx	Cmt w/ 1650 sx	12890'	12074-84' sqz w/ 100 sx	
Spud 10/4/84	2561' FSL & 1610' FEL	TOC @ surf by circ	TOC @ surf by circ	TOC @ 1550' by TS		12007-017	
	Sec. 26-T9S-R36E	13 3/8" @ 393	8 2/8. @ 4513	7" @ 12130'			P.V/d
Santa Fe Pacific #1	UnitE	Cmt. w/ 400 sx	Cmt w/ 2300 sx	Cmt w/ 2310 sx	12137	Open hole 12130-137'	Schematic
Spud 4/25/51	1980' FNL & 660' FWL	TOC @ surf by circ.	TOC @ surf by circ.	TOC @ surf by circ.			Attached
	Sec. 26-T9S-R36E	13 3/8" @ 472	6 5/8° @ 4765	5 1/2" @ 4557-12174		Open hole 12174-183'	P.V/d
Santa Fe Pacific #2	Unit C	Cmt. w/ 500 sx	Cmt w/ 2615 sx	Cmt w/ 850 sx	12183	12140-160'	Schematic
Spud 11/6/63	660' FNL & 1980' FWL	TOC @ surf by circ.	TOC @ surf by calc.	TOC @ 4557" by sqz.		11999-12026', 109-129'	Attached
Santa Fe Pacific "D" #1	Sec. 22-T9S-R36E	13 3/8" @ 335'	8 5/8" @ 4555	7- @ 9650'			P/A'd
(#4 on map)	Unit O	Cmt. w/ 350 sx	Cmt w/ 2450 sx	Cmt w/ 2167 sx	9670'	Open hole 9650-670'	Schematic
Spud 1/19/50	660' FSL & 1980' FEL	TOC @ surf by circ.	TOC @ surf by circ.	TOC @ 3840' by TS			Attached
	Sec. 22-T9S-R36E	13 3/8" @ 441'	8 5/8" @ 4805	5 1/2° @ 4595-12136'		Open hole 12136-150'	P.V/d
Santa Fe Pacific #5	Unit O	Cmt. w/ 500 sx	Cmt w/ 3497 sx	Cmt w/ 990 sx	12150	12096-110'	Schematic
Spud 3/26/53	660' FSL & 1880' FEL	TOC @ surf by circ.	TOC @ surf by caic.	TOC @ 4595' by sqz.			Attached
	Sec. 22-T9S-R36E	13 3/8* @ 426	8 5/8" @ 4950'	5 1/2" @ 4586'-12153'			P.V/d
Santa Fe Pacific #6	Unit I	Cmt. w/ 425 sx	Cmt w/ 3250 sx	Cmt w/ 1400 sx	12190'	Open hole 12153-190'	Schematic
Spud 3/11/74	1651.8' FSL & 990' FEL	TOC @ surf by circ	TOC @ surf by calc	TOC @ 5729' by calc.			Attached

5/4/00

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Offset wells to the

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U.D. Sawyer #4

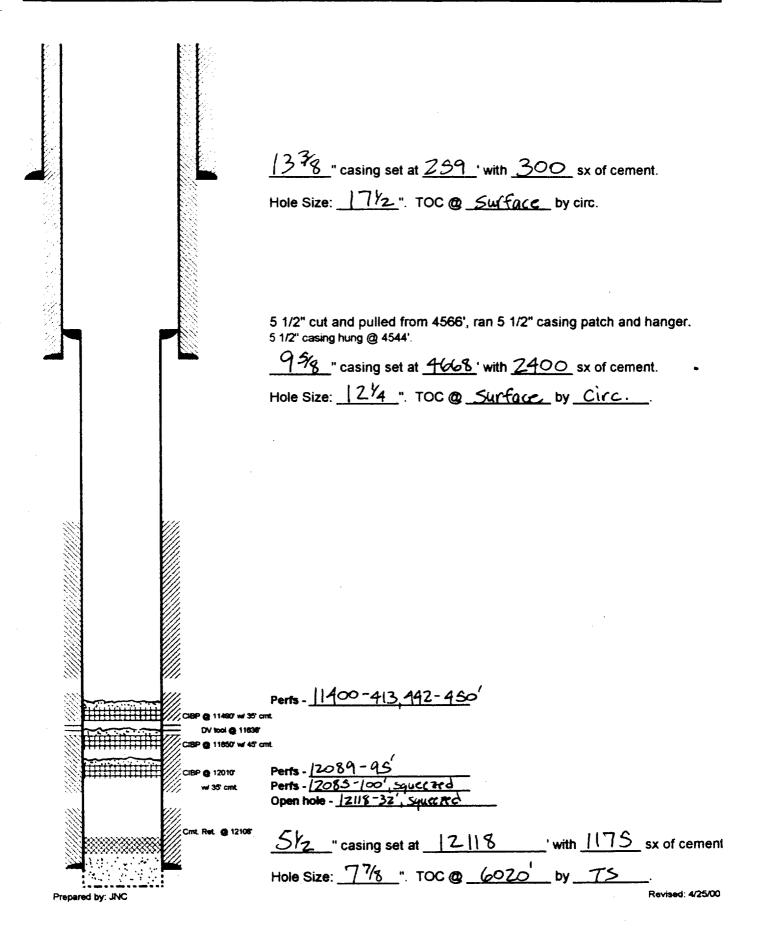
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	Sec. 23-T9S-R36E	13 3/8" @ 380'	8 5/8" @ 4895	5 1/2" @ 4645-12191'		12191-212' sqz w/ CIBP	P.V/d
Santa Fe Pacific #7	Unit M	Cmt. w/ 375 sx	Cmt w/ 2500 sx	Cmt w/ 2075 sx	12212'	11367-378'sqz w/ CIBP	Schematic
1/6/53 6	660' FSL & 660' FWL	TOC @ surf by circ.	TOC @ surf by calc.	TOC @ 2669' by calc.		9652-660' sqz w/ CIBP	Attached
						4818-899	
	Sec. 22-T9S-R36E	13 3/8" @ 360'	8 5/8° @ 5000'	7- @ 4800 - 12108			P'A'q
Santa Fe Pacific #10	Unit P	Cmt. w/ 400 sx	Cmt w/ 2600 sx	Cmt w/ 1800 sx	12126	Open hole 12108-126'	Schematic
Spud 9/24/72	330' FSL & 990' FEL	TOC @ surf by circ	TOC @ surf by circ	TOC @ 4800' by sqz			Attached
	Sec. 26-T9S-R36E	13 3/8" @ 380'	9 5/8" @ 5000'	7- @ 4785 - 12096			P/A'd
Santa Fe Pacific #11	Unit D	Cmt. w/ 400 sx	Cmt w/ 2000 sX	Cmt w/ 1800 sx	12117	Open hole 12096-117'	Schematic
Spud 7/31/72 9	990' FNL & 380' FWL	TOC @ surf by circ.	TOC @ 1535' by TS	TOC @ 4785' by sqz.			Attached
×	Sec. 26-T9S-R36E	13 3/8" @ 360'	9 5/8" @ 5000'	7- @ 4810 - 12119'		12076-102	P.V/d
Santa Fe Pacific #12	Unit L.	Cmt. w/ 400 sx	Cmt w/ 2600 sx	Cmt w/ 2050 sx	12120		Schematic
Spud 11/27/72 2	2310' FSL & 330' FWL	TOC @ surf by circ.	TOC @ surf by circ.	TOC @ 4810' by calc.			Attached
	Sec. 27-T9S-R36E	13 3/8" @ 315'	8 5/8" @ 5000'	5 1/2" @ 4873-11987'		11277-88' sqz	
Santa Fe Pacific #27-3	Unit C	Cmt. w/ 300 sx	Cmt w/ 400 sx	Cmt w/ 350 sx	12018	11930-940' sqz	
Spud 6/1/72 23	2310' FNL & 2310' FWL	TOC @ surf by circ.	TOC @ 4200' by calc.	TOC @ 10026 by CBL		11972-85', 987-12018'	
	Sec. 22-T9S-R36E	13 3/8" @ 309'	9 5/8" @ 4200'	7" @ 12170'		12128-160' sqz w/ 50 sx	P.V/d
SFPRR "27" #4	Unit N	Cmt. w/ 300 sx	Cmt w/ 625 sx	Cmt w/ 200 sx	12170'	12020-174' sqz w/ 50 sx	Schematic
Spud 1/18/73 3	330' FSL & 2310' FWL	TOC @ surf by circ	TOC @ 2006 by calc	TOC @ 11112 by calc.		12128-144'	Attached

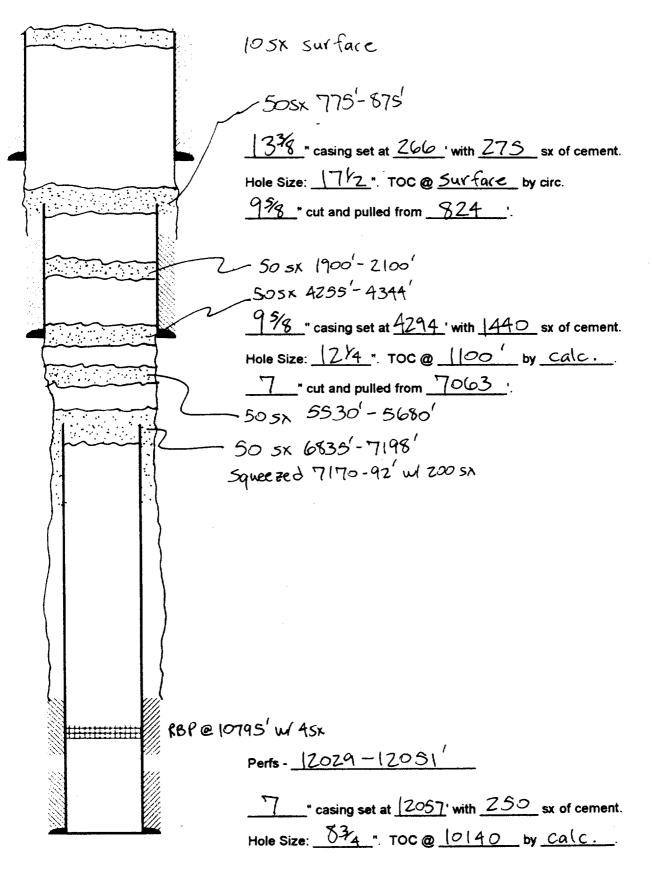
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OPERATOR: Saga Petroleum	LOCATION: Sec. 27, T9S 36E, Lea County, NM
LEASE: U.D. Sawyer #4	Unit A, 660' FNL & 660' FEL



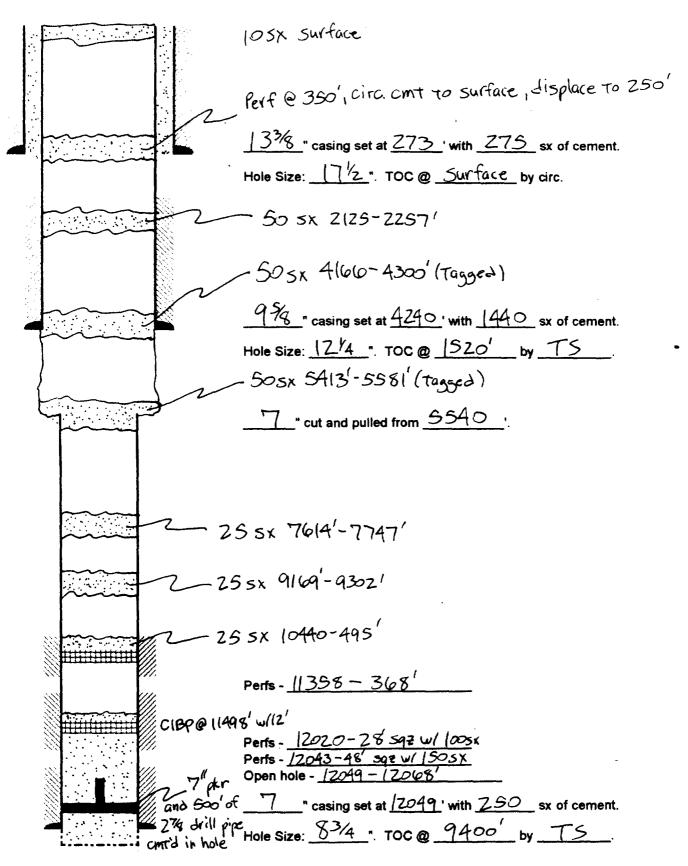
OPERATOR: Saga Petroleum LLC	LOCATION: Sec. 27, T9S, J6E, Lea County, NM
LEASE: U.D. Sawyer #8	Unit B, 990' FNL & 2310' FEL



PREPARED BY:JNC

Revised: 5/4/00

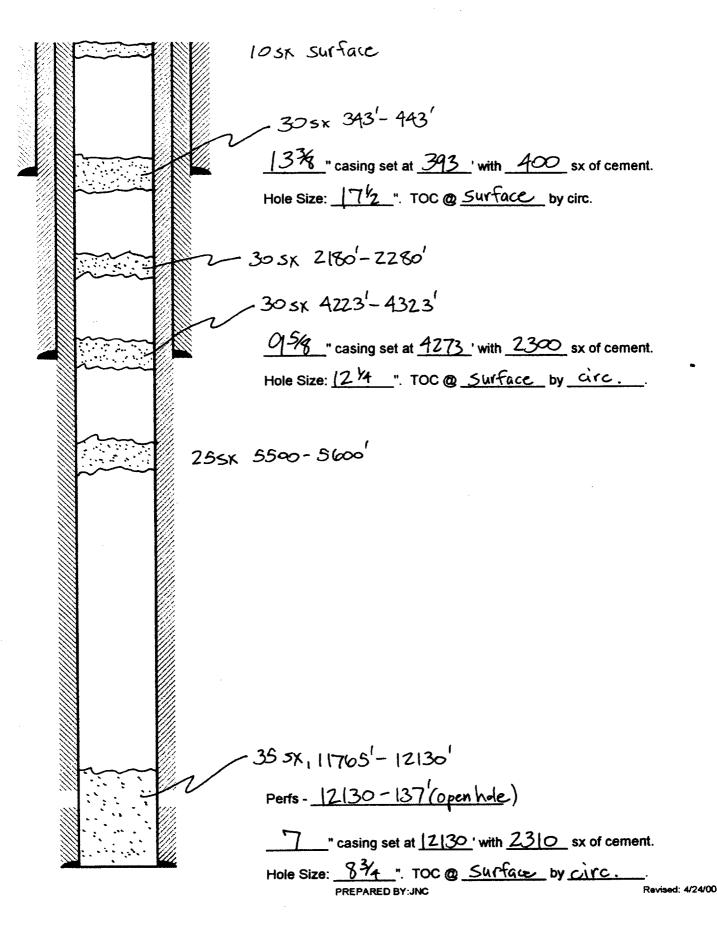
OPERATOR: Saga Petroleum LLC	LOCATION: Sec. 27, T9S, K JE, Lea County, NM
LEASE: U.D. Sawyer #9	Unit H, 1980' FNL & 990' FEL



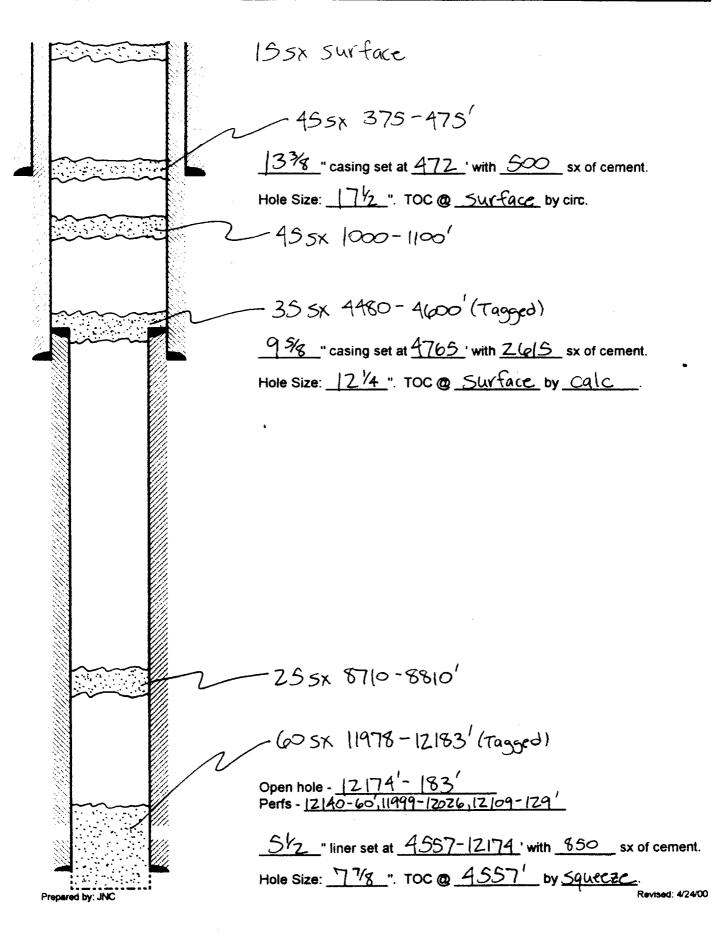
PREPARED BY:JNC

Revised: 5/4/00

OPERATOR: Meteor Developments	LOCATION: Sec. 26, T9	36E, Lea County, NM
LEASE: Santa Fe Pacific #1	Unit E, 1980' FN	IL & 660' FWL



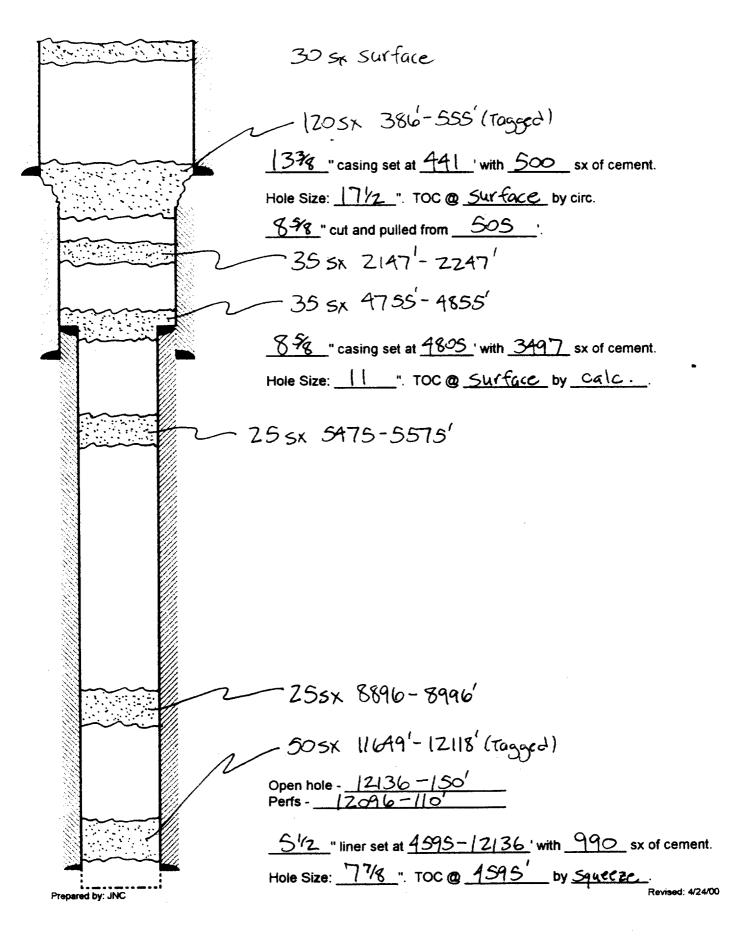
OPERATOR: Meteor Development.	LOCATION: Sec. 26, T9 36E, Lea County, NM
LEASE: Santa Fe Pacific #2	Unit C, 660' FNL & 1980' FWL



OPERATOR: Socony Mobil Oil Co.	LOCATION: Sec. 22, T9S 36E, Lea County, NM
LEASE: Santa Fe Pacific "D" #1	Unit O, 660' FSL & 1980' FEL

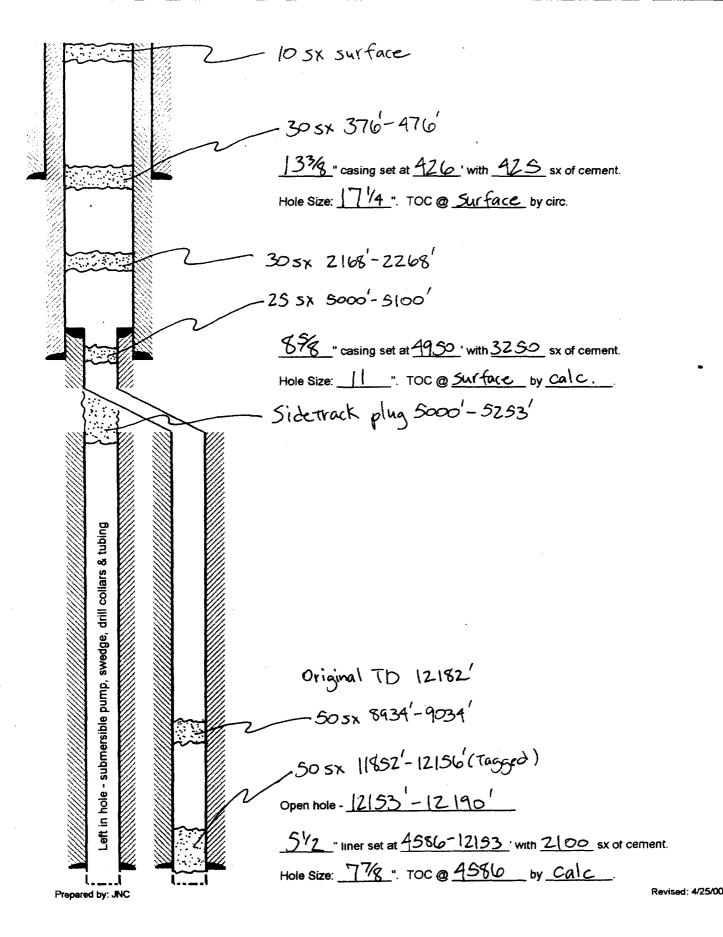
10 sx surface <u>318</u> " casing set at <u>335</u> ' with <u>350</u> sx of cement. Hole Size: 171/2 ". TOC @ Surface by circ. Cut 7" @ 3500' & 2008', could not pull 25 SK 1900-2057' 8.5% " casing set at 4.555 ' with 24.50 sx of cement. Hole Size: 12 1/4 ". TOC @ Surface by circ. - 805x 9460'-9670' Open hole - 9650 - 70' $\underline{7}$ " casing set at $\underline{9650}$ ' with $\underline{2167}$ sx of cement. Hole Size: 834 ". TOC @ 3840' by TS Revised 4/24/00

OPERATOR: Meteor Development	LOCATION: Sec. 22, T9 36E, Lea County, NM
LEASE: Santa Fe Pacific #5	Unit P, 660' FSL & 1880' FEL

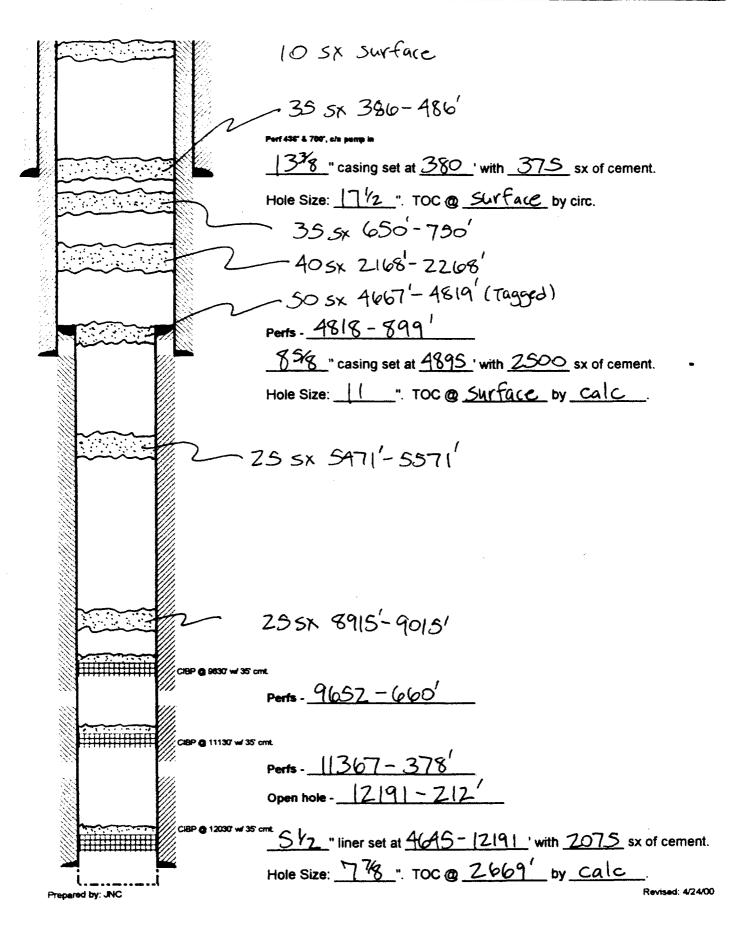


OPERATOR: Meteor Developments	LOCATION: Sec. 22, T R36E, Lea County, NM
LEASE: Santa Fe Pacific #6	Unit I, 1651.8' FSL & 990' FEL

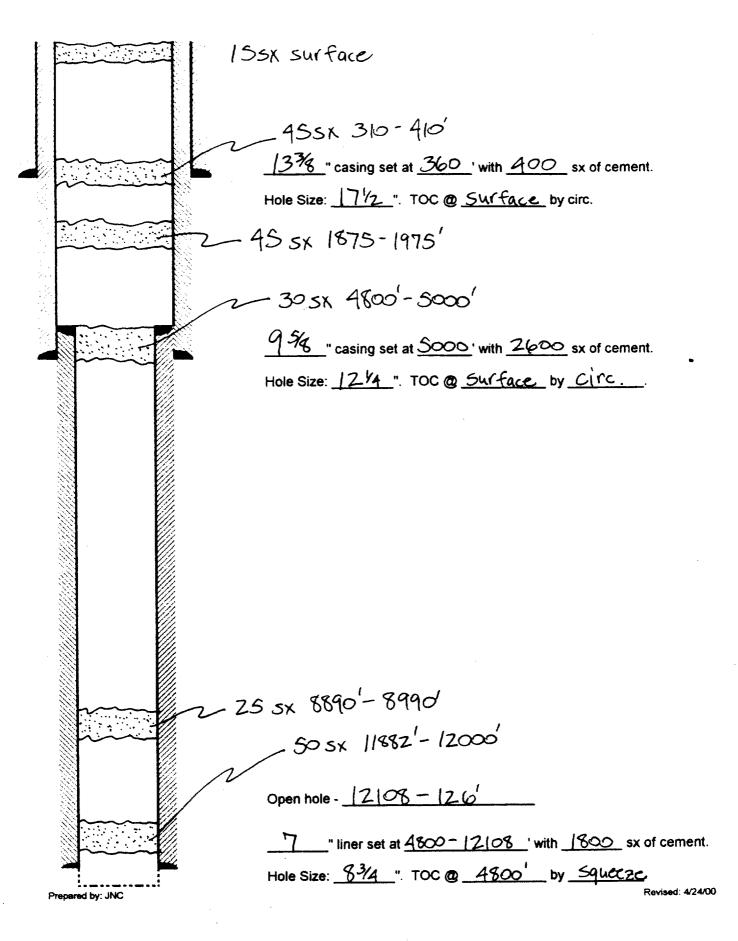
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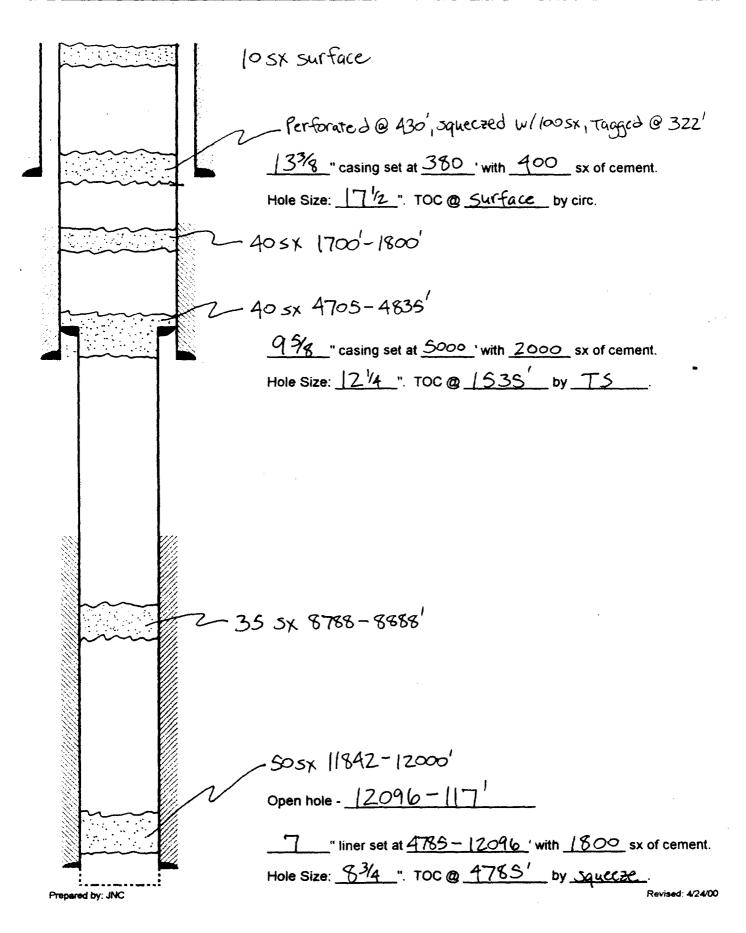
OPERATOR: Meteor Developmen	LOCATION: Sec. 23, T R36E, Lea County, NM
LEASE: Santa Fe Pacific #7	Unit M, 660' FSL & 660' FWL



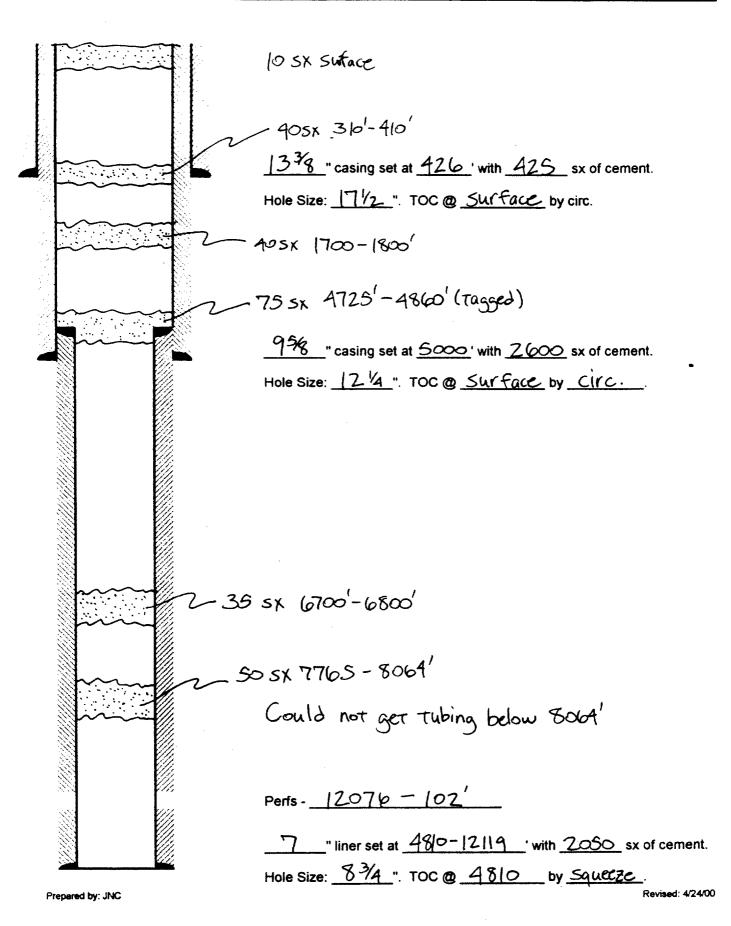
OPERATOR: Meteor Developments	LOCATION: Sec. 22, T9: .36E, Lea County, NM
LEASE: Santa Fe Pacific #10	Unit P, 330' FSL & 290' FEL



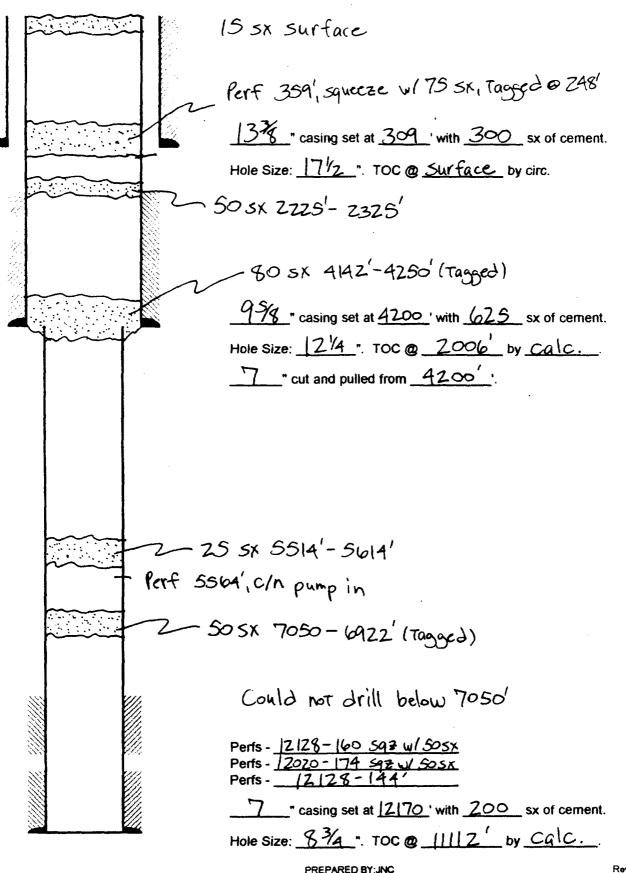
OPERATOR: Meteor Developments	LOCATION: Sec. 26, T95 36	6E, Lea County, NM
LEASE: Santa Fe Pacific #11	Unit D, 990' FNL &	380' FWL



OPERATOR: Meteor Developments	LOCATION: Sec. 26, T95, 36E, Lea County, NM
LEASE: Santa Fe Pacific #12	Unit L, 2310' FSL & 330' FWL



OPERATOR: Meteor Developments	LOCATION: Sec. 22, T9S	6E, Lea County, NM
LEASE: Santa Fe Pacific 27 #4	Unit N, 330' FSL	& 2310' FWL



Revised: 4/24/00

U.D. Sawyer #4 660' FNL & 660' FEL Unit A, Sec. 27-T9S-R36E Lea County, New Mexico

Application for Authorization to Inject

- VI. Attached is a tabulation of all wells of public record that fall within the ½ mile radius of the proposed injection well, the U.D. Sawyer #4. This investigation has further shown that all these wells have a good cement seal around their casing shoe and will therefore prevent the upward migration of the disposed water into any potable water zone. The U.D. Sawyer #4 was abandoned as a Devonian producer in 1978, and recompleted in the Penn (11400-450'). The Penn zone would be cement squeezed. Geologic data and producing volumes would indicate the Devonian in the #4 is currently below the oil-water contact, and on the flank of the structure.
- VII. The proposed average daily injection rate for the subject well is 1,000 BWPD; the maximum daily injection rate would be 1,500 BWPD. This will be a closed system with an average pressure of zero and a maximum pressure of 1000 psi. Only produced Devonian water will be injected in the proposed well, so incompatibility will not be a problem.
- VIII. The injection zone is a dolomite known as the Devonian. The top of the Devonian in this well is at 12,070', and is approximately 300' thick. The zone will be selectively perforated from 12,085' 12,100', correlative to the Upper producing zone in the offset wells. The main source of drinking water in this area comes from the Cretaceous formation, the base of which is at 180'. The Ogallala overlies the Cretaceous, but pinches out in certain areas around the zone of interest. There are no known sources of drinking water underlying the injection interval.
- IX. After perforation, the well will be stimulated with 3000 gallons of 15% NEFE HCl and ball sealers.
- X. Log and test data is on file with the Division.
- XI. Attached is an analysis of the water from a water well approximately ½ mile northwest of the proposed disposal. This is the only well which could be located.
- XII. Saga Petroleum LLC has examined the available geologic and engineering data and can find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground source of drinking water.
- XIII. The required "Proof of Notice" is attached.

U.D. Sawyer #4 660' FNL & 660' FEL Unit A, Sec. 27-T9S-R36E Lea County, New Mexico

Offset Operators

G.W. Ainsworth PO Box 7 Milnesand, NM 88215

Marbob Energy PO Box 227 Artesia, NM 88211-0227

> C.L. House 401 W. Texas Midland, TX 79701

Meteor Development 216 16th Street, Suite 730 Denver, CO 80202

Kelly H. Baxter PO Box 11193 Midland, TX 79702

Surface Owner

Williams Ranch Crossroads, NM 88114

(1) Sold Interest to:

Kes Medallion Resources Inc. 7/30 South Lewis Avenue, Suite 700 Tulsa, OK 74136-5489

Yates Petroleum 105 S. 4th Artesia, NM 88210

Southwest Royalty Drawer 11390 Midland, TX 79702

Gates-O'Brian 550 W. Texas #1140 Midland, TX 79701

Special Energy Corp. PO Box 369 Stillwater, OK 74076-0369

HALLIBURTON ENERGY SERVICES WATER ANALYSIS REPORT HOBBS NEW MEXICO

COMPANY	Saga Petroleum			REPORT DATE	<u>97-152</u> 5/2/97	-
	Fax: 915-684-0829			DISTRICT	Hobbs	
SUBMITTED B						
WELL Off:	set water well	DEPTH				
SAMPLE	See belo		· · · · · · · · · · · · · · · · · · ·			
RESISTIVITY		72 °F	@	۴		
SPECIFIC GR.	0.988			· · ·		
pH -	7.46				· · · · · · · · · · · · · · · · · · ·	
CALCIUM	150	mpi		mpi		•
MAGNESIUM	75	mpi		mpi		
CHLORIDE	270	mpi		mpl .		<u> </u>
SULFATES	100	mpt		mpi		1
BICARBONATE	S <u>195</u>	mpt		mpi		
SOLUBLE IRON	. 0	mpi		mpi		(
OIL GRAVITY	@	^F	@	<u>°F</u>	@	—,

ANALYST:

This report is the property of Halliburton Company and neither it nor any part thereof nor a copy thereof is to be published or disclosed without first securing the express written approval of laboratory management: it may however, be used in the course of regular business operations by any person or concern and employees thereof receiving such report from Halliburton Co.

GLETISANE

Resilivity measured in: Ohm/m2/m

EXHIBIT B

Crossroads Siluro-Devonian Unit Unit Agreement Lea County, New Mexico

Tract 1 - Texaco U.D. Sawyer

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Legal Description: 320 Acres, more or less, comprising the E/2 Sec. 34, T-9S, R36E

Royalty Ownership - Fee

Owner	WORKING INTEREST	TRACT %	UNIT TRACT PART. %
Saga Petroleum LLC	0.02000000	37.702768	0.00754055
Forcenergy, Inc.	0.75000000	37.702768	0.28277076
Saga Petroleum Corp.	0.2300000	37.702768	0.08671637
TOTAL	1.0000000		0.37702768

Owner	REVENUE INTEREST	TRACT	UNIT TRACT PART. %
Saga Petroleum LLC	0.01640630	37.702768	0.00618563
Forcenergy, Inc.	0.61523430	37.702768	0.23196036
Saga Petroleum Corp.	0.18867190	37.702768	0.07113453
Sandra Good RA Mey Trust	0.01074200	37.702768	0.00405003
Price Y-CIA	0.00244150	37.702768	0.00092051
Myrl Sawyer Good	0.02506500	37.702768	0.00945020
Susie L. Wadley First Trust	0.00203470	37.702768	0.00076714
Susie L. Wadley First Trust	0.00203460	37.702768	0.00076710
Sinclair Trust	0.00195310	37.702768	0.00073637
Fernald Point Prod. Trust	0.00195310	37.702768	0.00073637
Candace Good Jacobson	0.03938800	37.702768	0.01485037
Thomas Jefferson Good	0.03938800	37.702768	0.01485037
Sandra Good RA Mey Trust (OR)	0.00512700	37.702768	0.00193302
Myrl Sawyer Good (OR)	0.01196290	37.702768	0.00451034
Candace Good Jacobson (OR)	0.01879880	37.702768	0.00708767
Thomas Jefferson Good (OR)	0.01879880	37.702768	0.00708767
TOTAL	1.00000000		0.37702768

EXHIBIT B

Crossroads Siluro-Devonian Unit Unit Agreement Lea County, New Mexico

Tract 2 - Santa Fe Pacific

Legal Description:

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160 Acres, more or less, comprising the NW/4 Sec. 27, T-9S, R36E

Royalty Ownership - Fee

Owner	WORKING INTEREST	TRACT	UNIT TRACT PART. %
Saga Petroleum LLC	0.01820000	51.410973	0.00935680
Forcenergy, Inc.	0.68250000	51.410973	0.35087989
Saga Petroleum Corp.	0.20930000	51.410973	0.10760317
Yellow Queen Uranium Co.	0.03000000	51.410973	0.01542329
Alfa Resources, Inc.	0.06000000	51.410973	0.03084658
TOTAL	1.00000000		0.51410973

Owner	REVENUE INTEREST	TRACT %	UNIT TRACT PART. %
Saga Petroleum LLC	0.01448500	51.410973	0.00744688
Yellow Queen Uranium Co.	0.02625000	51.410973	0.01349538
Alfa Resources, Inc.	0.05250000	51.410973	0.02699076
Forcenergy, Inc.	0.54318750	51.410973	0.27925798
Saga Petroleum Corp.	0.16657750	51.410973	0.08563911
Allan Capital Corp.	0.00714280	51.410973	0.00367218
Floos, Inc.	0.12500000	51.410973	0.06426372
H. Wayne Hoover	0.00714280	51.410973	0.00367218
C. Thomas Houseman	0.00357140	51.410973	0.00183609
Mystique Resources Co.	0.00714280	51.410973	0.00367218
Edward J. Names	0.00714280	51.410973	0.00367218
C. L. Nordstrom	0.00714280	51.410973	0.00367218
Bruce M. Patterson	0.00714280	51.410973	0.00367218
Floos, Inc. (OR)	0.02557180	51.410973	0.01314671
TOTAL	1.0000000		0.51410973

EXHIBIT B

Crossroads Siluro-Devonian Unit Unit Agreement Lea County, New Mexico

Tract 3 - U.D. Sawyer

Legal Description:

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320 Acres, more or less, comprising the E/2 Sec. 27, T-9S, R36E

Royalty Ownership - Fee

Owner	WORKING INTEREST	TRACT %	UNIT TRACT PART. %
Saga Petroleum LLC	0.01916880	10.886259	0.00208677
Forcenergy, Inc.	0.71882810	10.886259	0.07825349
Saga Petroleum Corp.	0.22044060	10.886259	0.02399773
Saga Petroleum LLC FAO-TMN	0.03187500	10.886259	0.00347000
Marius Jensen Nygaard, Jr.	0.00062500	10.886259	0.00006804
Gerald D. Mills	0.00593750	10.886259	0.00064637
Yuma E & P	0.00281250	10.886259	0.00030618
Perry & Patricia Shaw Trust	0.00031250	10.886259	0.00003402
TOTAL	1.00000000		0.10886259

Owner	REVENUE INTEREST	TRACT	UNIT TRACT 4.00000000
Saga Petroleum LLC	0.01592884	10.886259	0.00173405
Gerald D. Mills	0.00519533	10.886259	0.00056558
Yuma E & P	0.00246096	10.886259	0.00026791
Perry & Patricia Shaw Trust	0.00027344	10.886259	0.00002977
Forcenergy, Inc.	0.59733405	10.886259	0.06502733
Saga Petroleum Corp.	0.18318248	10.886259	0.01994172
Saga Petroleum LLC FAO-TMN	0.02789060	10.886259	0.00303624
Marius Jensen Nygaard, Jr.	0.00054680	10.886259	0.00005953
Susie L. Wadley First Trust	0.00203453	10.886259	0.00022148
Fernald Point Prod. Trust	0.00195310	10.886259	0.00021262
Susie Wadley Trust #10-05527	0.00203457	10.886259	0.00022149
Sinclair Rev. Trust #0108952	0.00195310	10.886259	0.00021262
William Marsh Rice Univ.	0.05729170	10.886259	0.00623692
Candace G. Jacobson	0.02208116	10.886259	0.00240381
Thomas J. Good III	0.02208106	10.886259	0.00240380
Price & Cia, Inc.	0.00244140	10.886259	0.00026578
Myrl Sawyer Good	0.00537109	10.886259	0.00058471
Beja Embry	0.00537109	10.886259	0.00058471
Myrl Good Suc. Trustee	0.00238720	10.886259	0.00025988
Floos, Inc. (OR)	0.04218750	10.886259	0.00459264
TOTAL	1.00000000		0.10886259

Exhibit C Schedule of Tract Particiaption Crossroads Siluro-Devonian Unit Unit Agreement Lea County, New Mexico

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Tract	Description of Lands	Current Operator	Allocated W.I.
1	E/2 Sec. 34, T 9 S, R 36 E	Saga Petroleum, LLC	37.702768%
2	NW/4 Sec. 27, T 9 S, R 36 E	Saga Petroleum, LLC	51.410973%
3	E/2 Sec. 27, T 9 S, R 36 E	Saga Petroleum, LLC	10.886259%

100.00000%