

NEW 'EXICO ENERGY, M' JERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON Governor Jennifer A. Salisbury Cabinet Secretary

May 8, 2001

Lori Wrotenbery Director Oil Conservation Division

Strata Production Company P.O. Drawer 1030 Roswell, New Mexico 88202-1030

Attention: Ms. Carol J. Garcia

Re: Extension of Division Order SWD-765 Gramma "ZM" State No. 1 (API No. 30-041-20728) Unit E, Section 16, T-7 South, R-34 East, NMPM, Roosevelt County, New Mexico

Dear Ms. Garcia:

Reference is made to your request dated March 14, 2001 for an extension of the time period in which to commence injection into the Gramma "ZM" State Well No. 1. As you are aware, Division Order No. SWD-765 expires on March 22, 2001 if injection has not yet commenced into the well.

For the reasons outlined in your letter, a one-year extension is hereby granted. If injection has not commenced into the Gramma "ZM' State Well No. 1 on or before March 22, 2002, or, if an additional extension is not granted, the injection authority for the well shall terminate on that date.

Sincerely,

David Catanach Engineer

Xc: OCD-Hobbs File-SWD-765