



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop
Cabinet Secretary

August 27, 2003

Lori Wrotenbery
Director

Oil Conservation Division

Nance Petroleum Corporation
P.O. Box 7168
Billings, Montana 59103

Attn: Mr. Mike Mungas

**RE: Injection Pressure Increase,
Parkway Delaware Unit Waterflood Project
Eddy County, New Mexico**



Dear Mr. Mungas:

Reference is made to your request dated July 29, 2003, to increase the surface injection pressure on thirteen injection wells within the Parkway Delaware Unit Waterflood Project, Parkway-Delaware Pool, Eddy County, New Mexico. This request is based on step rate tests conducted in May and July, 2003. The results of the test have been reviewed by my staff and we feel an increase in injection pressure on these wells is justified at this time.

You are therefore authorized to increase the surface injection pressure on the following wells:

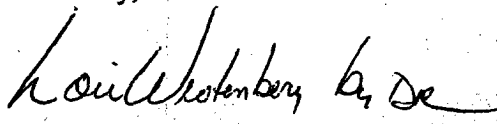
WELL NAME & NUMBER	MAXIMUM SURFACE INJECTION PRESSURE
Parkway Delaware Unit No. 302, Unit E, Section 35, T-19S, R-29E API No. 30-015-26006	1225 psi
Parkway Delaware Unit No. 505, Unit L, Section 35, T-19S, R-29E API No. 30-015-26029	1225 psi
Parkway Delaware Unit No. 204, Unit D, Section 35, T-19S, R-29E API No. 30-015-26143	1225 psi
Parkway Delaware Unit No. 601, Lot 2, Section 2, T-20S, R-29E API No. 30-015-26433	1225 psi
Parkway Delaware Unit No. 303, Unit F, Section 35, T-19S, R-29E API No. 30-015-27445	1225 psi
Parkway Delaware Unit No. 506, Unit J, Section 35, T-19S, R-29E API No. 30-015-27464	1225 psi

Injection Pressure Increase
Nance Petroleum Corporation
Parkway Delaware Unit WF Project
August 27, 2003
Page 2

WELL NAME & NUMBER	MAXIMUM SURFACE INJECTION PRESSURE
Parkway Delaware Unit No. 304, Unit G, Section 35, T-19S, R-29E API No. 30-015-29503	1225 psi
Parkway Delaware Unit No. 507, Unit G, Section 35, T-19S, R-29E API No. 30-015-29504	1225 psi
Parkway Delaware Unit No. 205, Unit H, Section 35, T-19S, R-29E API No. 30-015-30026	1225 psi
Parkway Delaware Unit No. 703, Unit I, Section 35, T-19S, R-29E API No. 30-015-30027	1225 psi
Parkway Delaware Unit No. 704, Unit I, Section 35, T-19S, R-29E API No. 30-015-30028	1225 psi
Parkway Delaware Unit No. 508, Unit J, Section 35, T-19S, R-29E API No. 30-015-30029	1225 psi
Parkway Delaware Unit No. 509, Unit P, Section 35, T-19S, R-29E API No. 30-015-30030	1225 psi

The Division Director may rescind this injection pressure increase if it becomes apparent that the injected fluid is not being confined to the injection zone or is endangering any fresh water aquifers.

Sincerely,


Lori Wrotenberg
Director

LW/DRC

cc: Oil Conservation Division - Artesia
Files: IPI-205, PMX-186, PMX-196; WFX-685,
Case File-10619
PSI-X-2003