

Oil Conservation Division

July 18, 1995

Yates Petroleum Corporation
 105 South 4th Street
 Artesia, New Mexico 88210

Attn: Ms. Theresa Sloan

**RE: *Injection Pressure Increase Sanmal queen Unit
 Waterflood Project Lea County, New Mexico***

Dear Ms. Sloan:

Reference is made to your request dated June 5, 1995 to increase the surface injection pressure on two wells in the above referenced waterflood project. This request is based on a step rate tests conducted on comparable wells adjacent to the subject wells. 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.

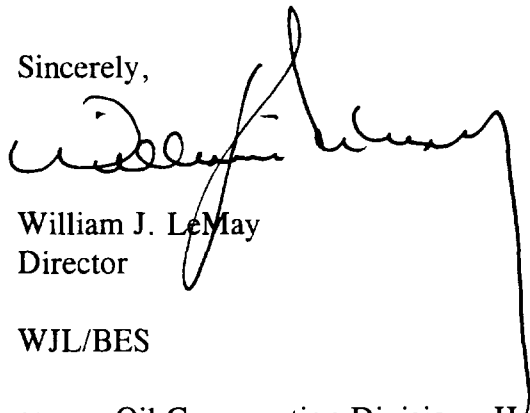
You are therefore authorized to increase the surface injection pressure on the following wells:

Well and Location	Maximum Injection Surface Pressure
Sanmal Queen Unit Well No.2, Unit L, Section 1	965 PSIG
Sanmal Queen Unit Well No.3, Unit K, Section 1	965 PSIG
Both located in Township 17 South, Range 33 East, Lea County, New Mexico.	

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

Injection Pressure Increase
Yates Petroleum Corporation
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Sincerely,

A handwritten signature in black ink, appearing to read 'William J. LeMay', with a long, sweeping vertical line extending downwards from the end of the signature.

William J. LeMay
Director

WJL/BES

cc: Oil Conservation Division - Hobbs
File: WFX-672; PSI-X 3rd QTR 95