



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

June 21, 1988

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

McClellan Oil Corporation
Drawer 730
Roswell, New Mexico 88202

Attention: Paul Ragsdale

CF 8002
PDEV0020600569

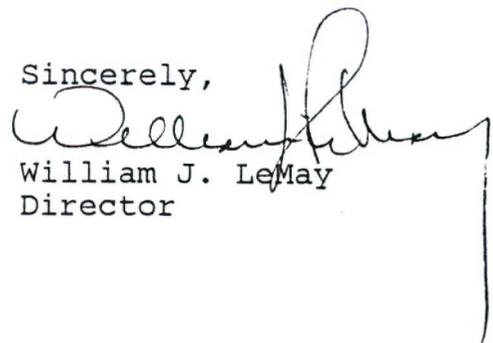
Dear Sir:

Reference is made to your request to increase the surface injection pressure on the six injection wells located within the Marlisue Queen Unit Waterflood Project to 1000 psi. This request is based upon step rate tests conducted on the Marlisue Queen Unit Tract 2 Well No. 6, the Sulimar Queen Unit Tract 1 Well No. 11, and the Burk Royalty Company Double L Queen Unit Tract 18 Well No. 3. Upon review of the test data presented, it is apparent that the fracture pressure within the Queen formation remains fairly consistent across the above described waterflood project areas and that said pressure is in excess of 1000 psi.

You are therefore authorized to increase the surface injection pressure on the six injection wells listed on Exhibit "A" attached hereto to 1000 psi.

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

Sincerely,



William J. LeMay
Director

xc: OCD-Artesia
Case File-8002
File-WFX-569
D. McDonald
D. Catanach

