

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

May 25, 1990

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2068
STATE LAND OFFICE BUILDING
SANTA FE NEW MEXICO 87504
(505) 827-5800

Sirgo Operating Inc.
P.O. Box 3531
Midland, Texas 79702

Attention: Victor Sirgo

Re: Injection Pressure Increase
West Dollarhide Queen Sand Unit
Lea County, New Mexico

Dear Mr. Sirgo:

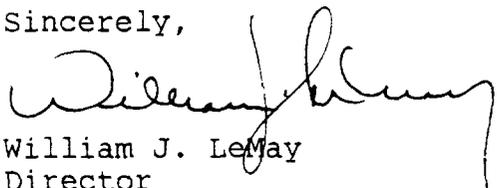
Reference is made to your request dated April 23, 1990, to increase the surface injection pressure on fourteen wells within the West Dollarhide Queen Sand Unit Waterflood Project. This request is based on step rate tests conducted on these wells during April, 1990. The results of the tests have been reviewed by my staff and we feel an increase in injection pressure on the majority of these wells is justified at this time.

You are therefore authorized to increase the surface injection pressure on the wells shown on Exhibit "A" attached hereto.

Based on a recommendation from the supervisor of the Division's Hobbs district office, we are requiring that the step rate tests conducted on Well Nos. 136, 142 and 143 be reconducted and resubmitted prior to the approval of any increase in injection pressure.

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.

Sincerely,



William J. Lemay
Director

xc: OCD-Hobbs
File-WFX-570, WFX-595
T. Gallegos
D. Catanach