



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



BRUCE KING
 GOVERNOR

June 26, 1992

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

ANITA LOCKWOOD
 CABINET SECRETARY

Meridian Oil, Inc.
 P.O. Box 51810
 Midland, Texas 79710-1810

Attention: Joe Small

*RE: Injection Pressure Increase
 Shugart "A" Well No. 4
 Shugart Yates - SR-Q-G Waterflood Project
 Eddy County, New Mexico*

Dear Sir:

Reference is made to your request dated June 4, 1992, to increase the surface injection pressure on the Sugart "A" Well No. 4. This request is based on a step rate test conducted on the well on June 2, 1992. The results of the test have been reviewed by my staff and we feel an increase in injection pressure on the well is justified at this time.

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

WELL AND LOCATION

**MAXIMUM INJECTION
 SURFACE PRESSURE**

Shugart "A" Well No. 4
 Unit K, Section 29, T-18 South,
 R-31 East, NMPM

880 PSIG

Eddy County, New Mexico

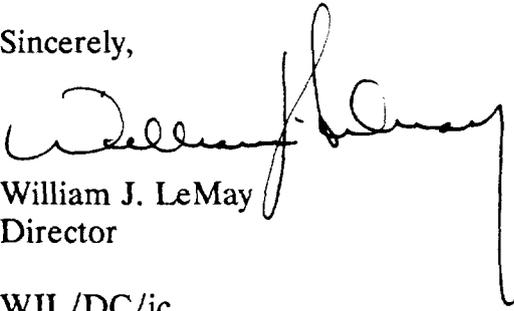
Meridian Oil, Inc.

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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

WJL/DC/jc

cc: Oil Conservation Division - Artesia
File: WFX - 628 ✓
Rick Brown
David Catanach