



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

June 14, 2004

Division Order No. IPI-234

Melrose Operating Company
c/o Lee Engineering
P.O. Box 10523
Midland, Texas 79702

Attention: Mr. Robert Lee

**RE: Injection Pressure Increase
Artesia Unit Well No. 23
Eddy County, New Mexico**

Dear Mr. Lee:

Reference is made to your request received by the Division on May 18, 2004 to increase the surface injection pressure on the Artesia Unit Well No. 23. This request is based on a step rate test conducted on the well on November 25, 2003. The results of the step rate test show that an increase in the surface injection pressure for this well is justified and will not result in the fracturing of the injection formation and confining strata.

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

<i>WELL NAME & NUMBER</i>	<i>MAXIMUM SURFACE INJECTION PRESSURE</i>
Artesia Unit Well No. 23 API No. 30-015-01746 Unit L, Section 35, T-17 South, R-28 East, NMPM, Eddy County, New Mexico	1050 PSIG

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.

Injection Pressure Increase
Melrose Operating Company
June 14, 2004
Page 2

Sincerely,

A handwritten signature in black ink, appearing to read "David Catanach". The signature is fluid and cursive, with a long horizontal stroke at the end.

David Catanach
Engineer/Examiner

cc: Oil Conservation Division - Artesia
File: WFX-347