



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

July 13, 2005

Division Order No. IPI-254

Merit Energy Company
13727 Noel Road, Suite 500
Dallas, Texas 75240

Attention: Ms. Lynne Moon

**RE: *Injection Pressure Increase
Mescalero Ridge Unit Waterflood Project
Lea County, New Mexico***

Dear Ms. Moon:

Reference is made to your request received by the Division on July 7, 2005, to increase the surface injection pressure on two injection wells within the Mescalero Ridge Unit Waterflood Project. This request is based on step rate tests conducted on these well on June 20-21, 2005. The results of the step rate tests show that an increase in the surface injection pressure for these well is justified and will not result in the fracturing of the injection formation and confining strata.

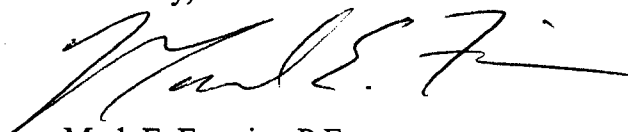
You are therefore authorized to increase the surface injection pressure on the following wells:

<i>WELL NAME & NUMBER</i>	<i>MAXIMUM SURFACE INJECTION PRESSURE</i>
Mescalero Ridge Unit Well No. 351 API No. 30-025-20302 Unit I, Section 35, T-19 South, R-34 East, NMPM, Lea County, New Mexico	1706 PSIG
Mescalero Ridge Unit Well No. 015 API No. 30-025-21683 Unit A, Section 35, T-19 South, R-34 East, NMPM, Lea County, New Mexico	1300 PSIG

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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.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark E. Fesmire', with a stylized flourish at the end.

Mark E. Fesmire, P.E.
Division Director

cc: Oil Conservation Division - Hobbs
File: WFX-736