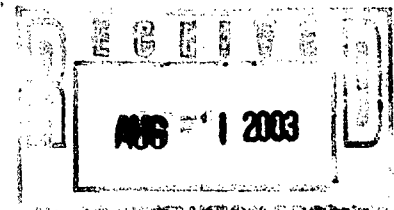




A Subsidiary of  
St. Mary Land & Exploration Co.

P.O. BOX 7168 • BILLINGS, MT 59103  
550 N. 31ST ST, SUITE 500 • BILLINGS, MT 59101  
PHONE: (406) 245-6248 • FAX: (406) 245-9106



July 29, 2003

Mr. William V. Jones Jr. PE  
New Mexico Energy, Minerals and Natural Resources Department  
Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, NM 87505

205

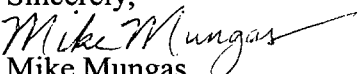
Re: Administrative Application for Injection Pressure Increase  
Parkway Delaware Unit  
Eddy County, New Mexico

Dear Mr. Jones:

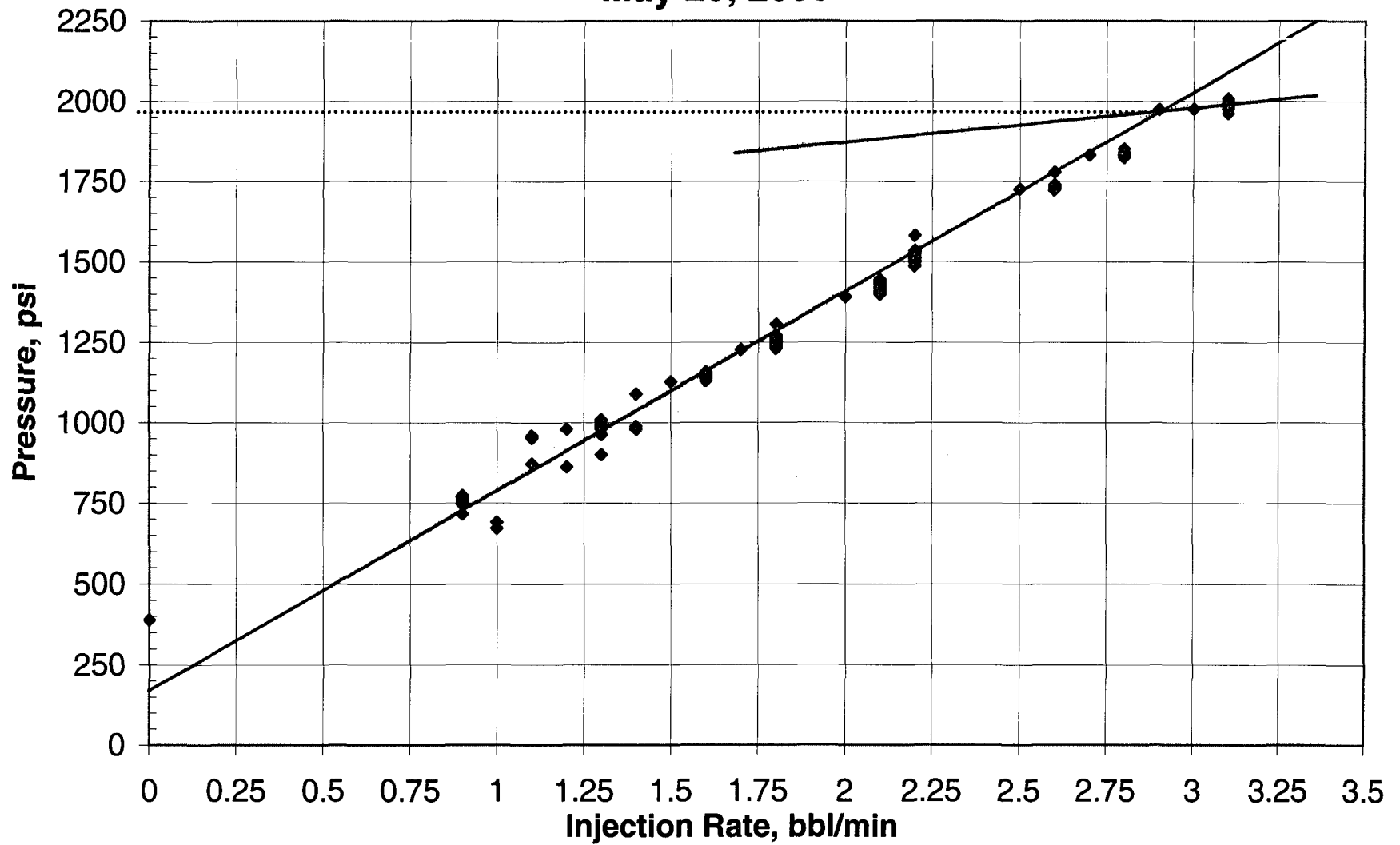
Nance Petroleum Corporation respectfully requests administrative approval for a Unit wide injection pressure increase in the Parkway Delaware Unit located in Townships 19 and 20 South, Range 29 East, NMPM, Eddy County, New Mexico above the currently approved limits – which range from 832 to 852 psig – to 1225 psig. In support of our request, we hereby submit the results of three (3) Step Rate Tests performed recently on the PDU 302, 304 and 508 wells (see attached Unit map). The results of the tests indicate a range of fracture initiation surface injection pressures of approximately 1300 psig at the PDU 508 to approximately 1960 psig at the PDU 302 (located at the far west end of the unit with comparatively poorer reservoir quality than other Unit wells).

In September 2002, we submitted one Step Rate Test for the PDU 601, located in the extreme south end of the Unit, and eight (8) Injection Surveys from wells located throughout the Unit. The Injection Surveys clearly indicated that all injected fluids remain confined within the Unitized intervals. The Division approved an injection pressure limit increase to 1225 psig on the PDU 601 and deferred Unit wide approval pending additional Step Rate Tests. We feel that the relative agreement in results of the recent Step Rate Tests performed on wells located throughout the Unit adequately supports our request. It is unlikely that results from additional Step Rate Tests performed throughout the Unit would differ significantly from those submitted herein, and any requirement for additional Tests would place an unnecessary economic burden upon Nance Petroleum. Please review the attached plots and reconsider approval of a Unit wide injection pressure limit of 1225 psig.

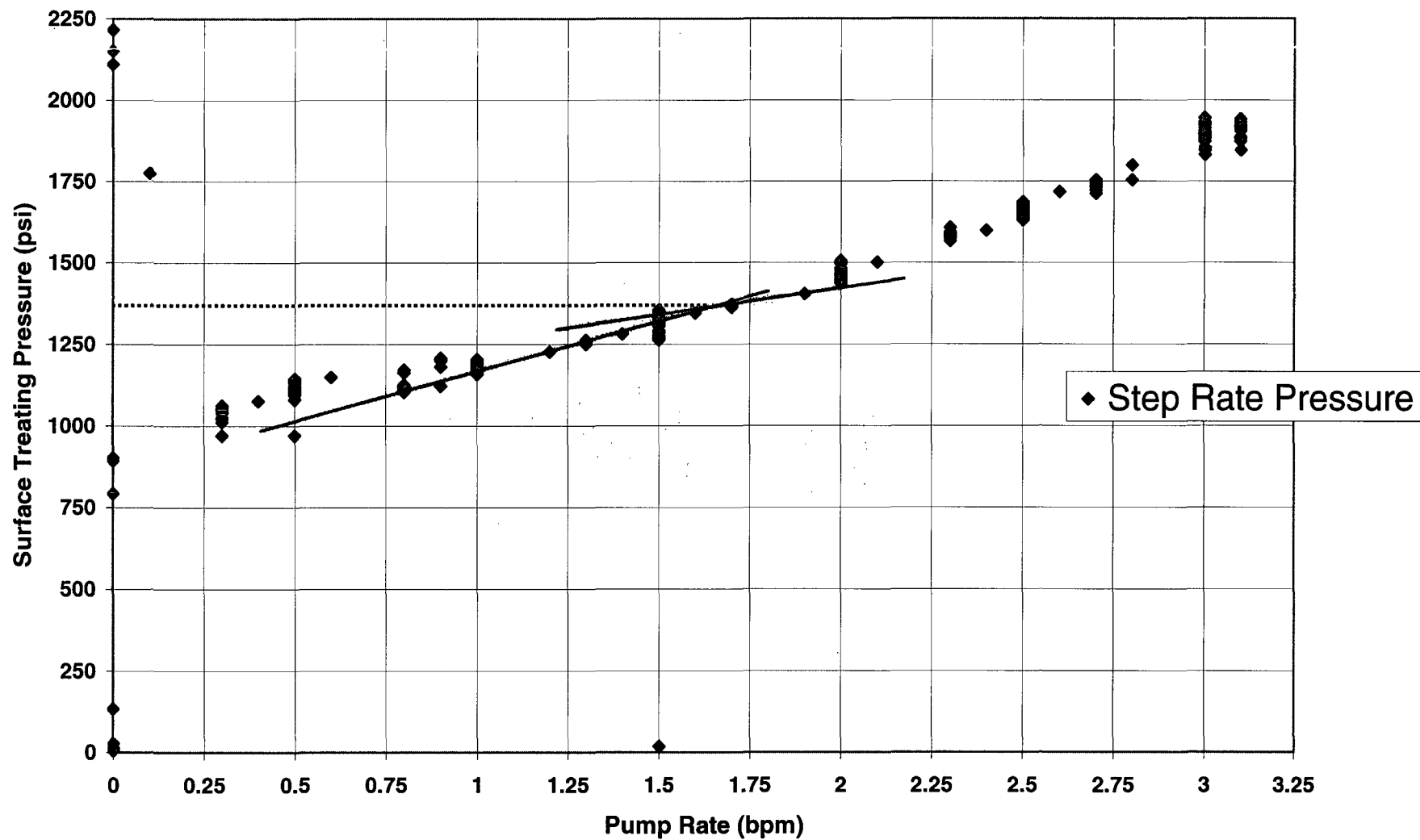
Thank you for your consideration of our request. If you have any questions, please contact me at (406) 867-8902.

Sincerely,  
  
Mike Mungas  
Regulatory and Safety Engineer

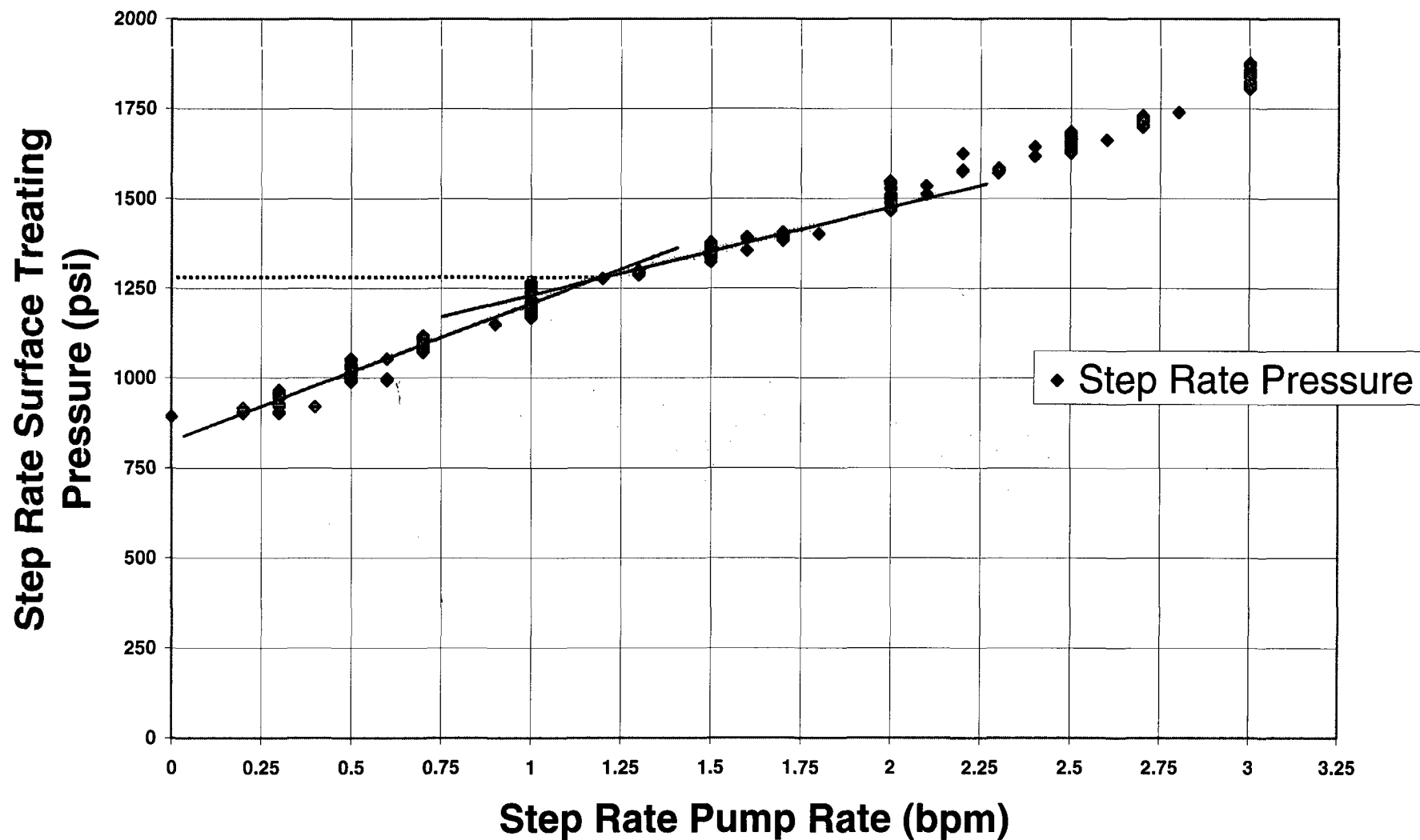
**PDU 302**  
**Injection Step Rate Test**  
**May 23, 2003**



## PDU 304 Injection Step Rate Test July 18, 2003



## PDU 508 Injection Step Rate Test July 18, 2003





# PDU Working Interest Owners' Technical Meeting

# RBDMS New Mexico 2002

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API Well Number :

OGRID Name :

Property Name : PARKWAY DE

Pool Name :

County :

Well Type : I

Well Status :

Permit :



Section

Land



Township

Dir.



Range

Dir.

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[Pool Master](#)
[Surf Facilities](#)

Close all  
Functions  
and Exit  
RBDMS

[Clear Criteria Fields](#)
[Apply Selection Criteria](#)

Make Group Inspection  
or 'Sync' Table from  
Displayed Records



API WELL #	Well	Well #	Operator	Type	Stat	C	Surf	UL	Se	Twp	N/S	Rn	W/E	Feet	NS	Ft	EW	Order_No
30-015-26006-00-00	PAR	302	ST. MA	I	S	E	F	E	35	19S	29E	2230	N	760	W		R-9822	
30-015-26029-00-00	PAR	505	ST. MA	I	S	E	F	L	35	19S	29E	1980	S	760	W			
30-015-26143-00-00	PAR	204	ST. MA	I	S	E	F	D	35	19S	29E	990	N	940	W			
30-015-26433-00-00	PAR	601	ST. MA	I	A	E	S	2	2	20S	29E	330	N	1650	E			
30-015-27445-00-00	PAR	303	ST. MA	I	A	E	F	F	35	19S	29E	1420	N	2500	W	WFX-685		
30-015-27464-00-00	PAR	506	ST. MA	I	A	E	F	J	35	19S	29E	2635	S	2640	E			
30-015-29503-00-00	PAR	304	ST. MA	I	A	E	F	G	35	19S	29E	1485	N	1485	E			
30-015-29504-00-00	PAR	507	ST. MA	I	A	E	F	G	35	19S	29E	2628	S	1485	E	PMX-186		
30-015-30026-00-00	PAR	205	ST. MA	I	A	E	F	H	35	19S	29E	1330	N	180	E	PMX-196		
30-015-30027-00-00	PAR	703	ST. MA	I	A	E	F	I	35	19S	29E	2610	S	430	E	PMX-196		
30-015-30028-00-00	PAR	704	ST. MA	I	A	E	F	I	35	19S	29E	1450	S	330	E	PMX-196		
30-015-30029-00-00	PAR	508	ST. MA	I	A	E	F	J	35	19S	29E	1350	S	2520	E	PMX-196		
30-015-30030-00-00	PAR	509	ST. MA	I	A	E	F	P	35	19S	29E	1210	S	1210	E	PMX-196		