October 15, 1996

Plains Petroleum Operating Company 415 West Wall Street, Suite 1000 Midland, Texas 79701

Attn: Ms. Bonnie Husband

RE: Injection Pressure Increase

Carter-Mattix Waterflood Project - 3 wells,

Lea County, New Mexico.

Dear Ms. Husband:

Reference is made to your request dated August 22, 1996 to increase the surface injection pressure on three wells in the above referenced project. This request is based on step rate tests conducted on these wells on August 14 and 15, 1996. The results of the tests have been reviewed by my staff and we feel an increase in injection pressures on these wells is justified at this time.

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

Well and Location	Maximum Injection Surface Pressure
G.H. Mattix Federal Well No.5 Unit E, Section 3, Township 24 South, Range 37 East	1035 PSIG
G.H. Mattix Federal Well No.6 Unit O, Section 3, Township 24 South, Range 37 East	940 PSIG
G.H. Mattix Federal Well No.7 Unit K, Section 3, Township 24 South, Range 37 East	860 PSIG
All wells located in Lea County, New Mexico.	

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/BES

cc: Oil Conservation Division - Hobbs

Bureau of Land Management - Carlsbad

Files: Case File Nos. 7662; WFX-641;1st Qtr.97-PSI-X