State of New Mexico ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT Santa Fe, New Mexico 87505 Oil Conservation Division



'DRUG FREE

August 7, 1995

Yates Petroleum Corporation 105 South 4th Street Artesia, New Mexico 88210

Attn: Mr. Pinson McWhorter

RE: Injection Pressure Increase Sanmal Queen Unit Waterflood Project Lea County, New Mexico

Dear Mr. McWhorter:

Reference is made to your request dated July 10, 1995 to increase the surface injection pressure on one well in the above referenced waterflood project. This request is based on a step rate test conducted on this well on July 5,1995. The results of the test have been reviewed by my staff and we feel an increase in injection pressure on this 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 |
|---|---------------------------------------|
| Sanmal Queen Unit Well No.2, Unit Letter "L" | 1750 PSIG |
| Located in Section 1 of Township 17 South, Range 33 East, 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. Le Director

WJL/BES

VILLAGRA BUILDING - 408 Galasteo Forestry and Resources Conservation Division P.O. Box 1948 87504-1948 827-5830 Park and Recreation Division P.O. Box 1147 87504-1147 827-7465 2040 South Pacheco Office of the Secretary 827-5950 Administrative Services 827-5925 Energy Conservation & Management 827-5900 Mining and Minerals 827-5970 Oil Conservation Injection Pressure Increase Yates Petroleum Corporation August 7, 1995 Page 2

cc: Oil Conservation Division - Hobbs File: WFX-672; PSI-X 3rd QTR 95