



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

TONY ANAYA
GOVERNOR

June 14, 1983

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

MWJ Producing Company
1804 First National Bank Bldg.
Midland, Texas 79701

Attention: John L. Schlagal

Re: MWJ-Saunders 26
SWD No. 2 - Sec.
26, T-14S-, R-33E,
Lea County, NM, Order
No. SWD-251

Dear Mr. Schlagal:

The original pressure limitation assigned to the subject well was based on a 0.2 psi/ft guideline adopted by our office. Any increase in this maximum pressure limit can only be granted after determination of the reservoir fracture pressure of the well. This must be accomplished by means of the step-rate test conducted in a similar manner as described in the enclosed Oil and Gas Journal article.

A step-rate test run in general accordance with this method will be considered as acceptable data in determining a maximum injection pressure increase.

Whereas it is recognized that there are many methods of "estimating" reservoir fracture pressures, the New Mexico Oil Conservation Division considers step-rate tests run in similar accordance with the enclosed article to be the most accurate.

Prior to commencing any step-rate test on the well, please contact the Hobbs OCD District Office so that the test may be witnessed.

Should you have any further questions concerning this matter, please forward them to me at (505) 827-5807.

Sincerely,

A handwritten signature in cursive script that reads "Gilbert P. Quintana".

GILBERT P. QUINTANA
Petroleum Engineer

GPQ/dp

Enc.

cc: Hobbs District Office
SWD-251