

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

March 4, 1992

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

Siete Oil & Gas Corporation
P.O. Box 2523
Roswell, New Mexico 88202

Attention: Darrin Steed

*RE: Injection Pressure Increase
Siete Shugart Cooperative
Waterflood Project
Eddy County, New Mexico*

Dear Mr. Steed:

Reference is made to your request dated January 6, 1992, to increase the surface injection pressure on 3 wells within the Shugart Cooperative Waterflood Project. This request is based on step rate tests conducted on these wells during December, 1991. The results of the tests have been reviewed by my staff and we feel an increase in injection pressure on these wells is justified at this time.

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

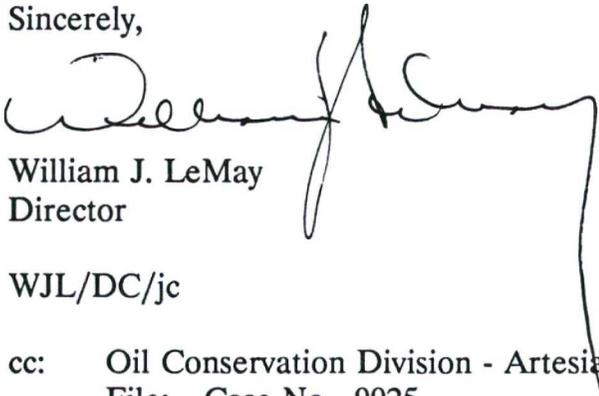
<u>WELL AND LOCATION</u>	<u>MAXIMUM INJECTION SURFACE PRESSURE</u>
Geronimo Federal Well No. 2 Unit B, Section 24, T-18S, R-31E, NMPM	1000 PSIG
Geronimo Federal Well No. 7 Unit H, Section 24, T-18S, R-31E, NMPM	1000 PSIG
Inca Federal Well No. 4 Unit D, Section 18, T-18S, R-32E, NMPM	1000 PSIG

All in Eddy County, New Mexico

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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,

A handwritten signature in black ink, appearing to read 'William J. LeMay', with a large, stylized flourish extending downwards and to the right.

William J. LeMay
Director

WJL/DC/jc

cc: Oil Conservation Division - Artesia
File: Case No. 9925
D. Catanach ✓
R. Brown