

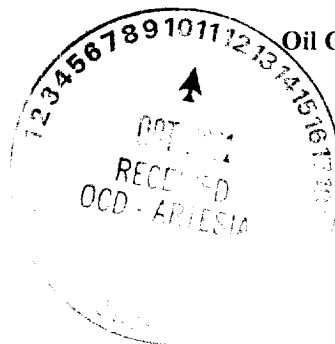


NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

October 8, 2001



E.G.L. Resources, Inc.
P.O. Box 10886
Midland, Texas 79702

Attn: Mr. Darren Printz

Re: Injection Pressure Increase
State No. 2
API No. 30-015-04686
Eddy County, New Mexico

Dear Mr. Printz:

Reference is made to your request dated September 25, 2001 to increase the surface injection pressure on the above referenced well. This request is based on a step rate test conducted on September 18, 2001. 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:

<i>Well and Location</i>	<i>Maximum Injection Pressure</i>
State No. 2	1025 PSIG
Located in Unit N, Section 17, Township 20 South, Range 30 East, Eddy 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.