NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

(Ce)

OIL CONSERVATION DIVISION

February 7, 1996

Phillips Petroleum Company 5525 Hwy.. 64, NBU 3004 Farmington, New Mexico 87401

Attn: Mr. Ralph L. Hawks, Jr.



Re: Request for Injection Pressure Increase

Dear Mr. Hawks:

Reference is made to your recent request, dated January 17, 1996, for an increase in injection pressure on your San Juan 32-8 Well No.303. Division Rules and Regulations do not allow for such an increase through administrative channels, without first conducting a step rate test.

Division policy allows for an injection pressure gradient of .2 psi per foot of depth to the uppermost injection perforation. After conducting a step rate test, a maximum surface pressure of fracture pressure less 50 psi would be granted by administrative approval.

We understand your dilemma of different zones requiring different injection pressures. You of course have the option to bring your case to examiner hearing in an attempt to gain a higher authorized pressure without step rate data.

If you desire to pursue this avenue, please contact Mr. Ben Stone at (505) 827-8186, and he can assist you in getting your case on the next available hearing docket.

Very truly yours,

William J. Lexlay

Director

/BES

cc: Oil Conservation Division - Aztec