

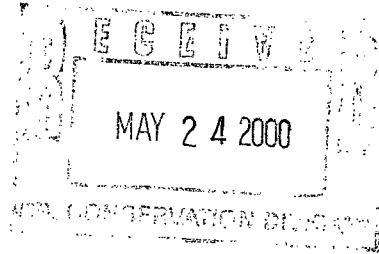
PI-135N/R

Shahara Oil, LLC

207 West McKay Carlsbad, NM 88220 505-885-5433 (Phone) 505-885-4989 (Fax)

May 22, 2000

Mr. Mark Ashley
Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505



CAS# 11973

Re: Order No's R-11027, R-11027A, WFX-756
Beeson "F" Federal Lease
Step Rate Test - Beeson "F" Federal No. 27
Eddy County, New Mexico

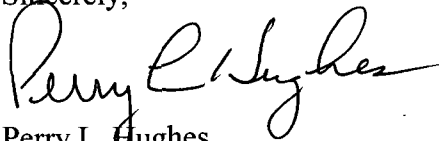
Dear Mr. Ashley,

Pursuant to the referenced orders, Shahara Oil, LLC has completed work required and has initiated injection into four wells in the Northeast Quarter of Section 31-T17S-R30E. The work program completed for this portion of the lease involved making F-5 and F-6 producers, F-14 re-entered and completed as an injector and conversion of F-7, F-11 and F-27 from producer to injector. (Please see attached map).

The 0.2psi/ft pressure allowed under the orders as a maximum has proven to be insufficient. Shahara Oil, LLC contracted Holmes Wireline Service, Odessa, TX to conduct a step rate test on the Beeson "F" Federal No. 27 on May 2, 2000. The fracture (closure) pressure is indicated to be 2465psi bottom hole corresponding to a surface pressure of 1342 psi. Shahara Oil, LLC requests a maximum allowable surface injection pressure of 1292 psi for Beeson "F" Federal No. 27 as well as the other three wells No's F-7, F-11 & F-14, in this quarter section of the lease.

Your earliest consideration of this request is greatly appreciated.

Sincerely,


Perry L. Hughes
Executive Officer

NEEDS SEPARATE TEST.

MA
5-25-00

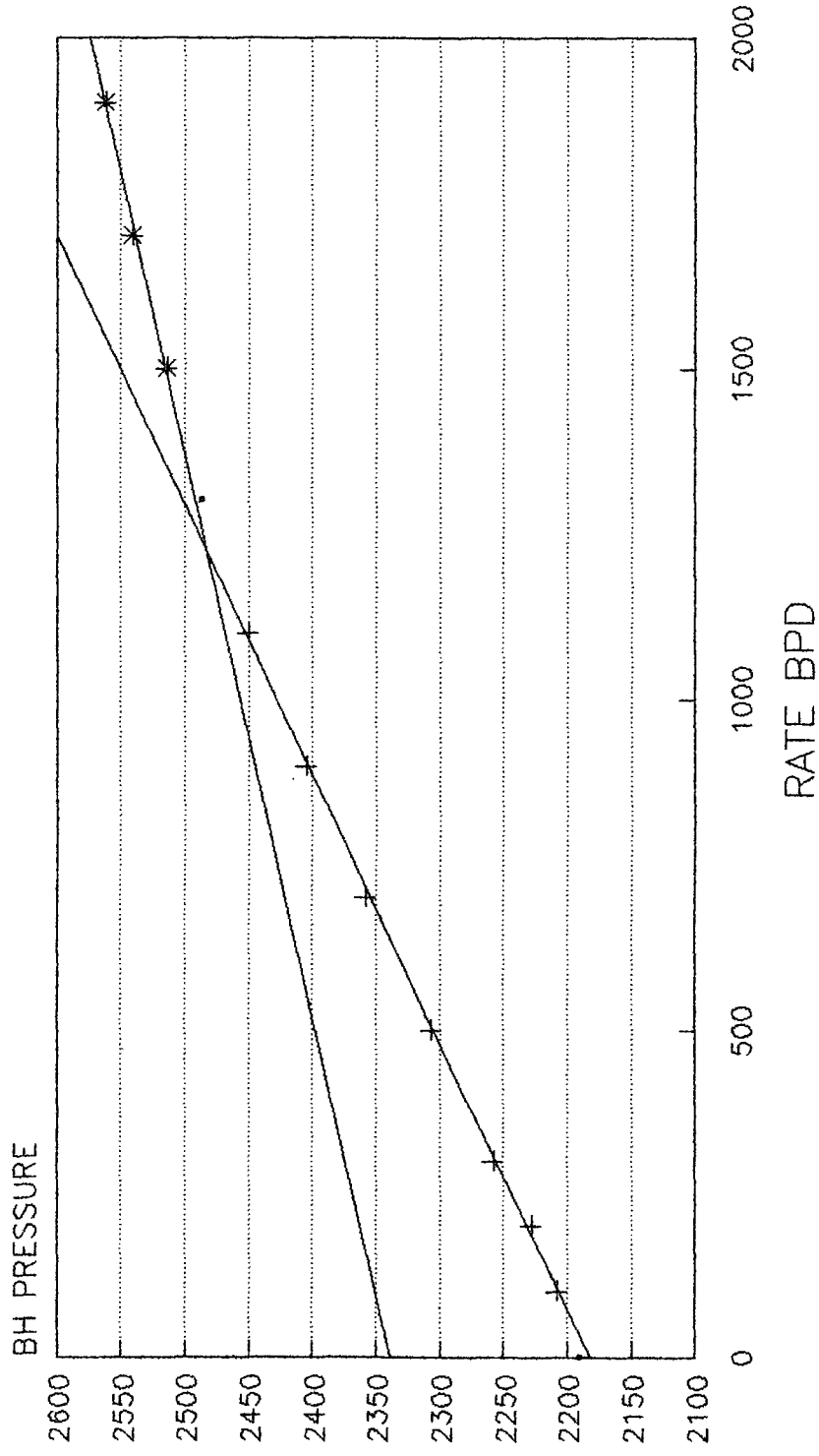
Attachments

PLH/tm

#7 30-015-04418
39520 Loco Hills; QU-CP-SA
17368 Beeson F Federal
#11 30-015-04401
"
#27 30-015-30010
"

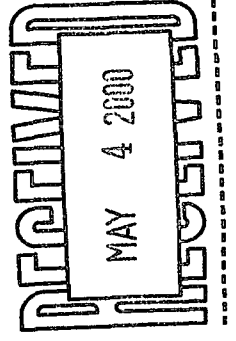
BEESON "F" FEDERAL #27

5-02-00



• HOLMES + WIRELINE * SERVICE

FRACTURE @ 2465



SHAHARA OIL LLC
BEESON "F" FEDERAL # 27

TIME	RATE	B.H. PSI	SURF. PSI
10:00	0	2190	800
10:00 - 10:30	100	2208	900
10:30 - 11:00	200	2228	950
11:00 - 11:30	300	2257	1050
11:30 - 12:00	500	2307	1100
12:00 - 12:30	700	2358	1100
12:30 - 1:00	900	2404	1200
1:00 - 1:30	1100	2450	1300
1:30 - 2:00	1300	2486	1400
2:00 - 2:30	1500	2514	1450
2:30 - 3:00	1700	2541	1450
3:00 - 3:30	1900	2561	1500
3:30 - 3:40	0	2496	1300