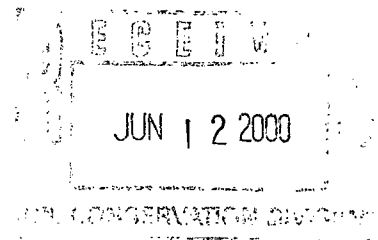


1P1-142 N/R

Shahara Oil, LLC

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

June 9, 2000



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

Re: Order No's R-11027, R-11027A, WFX-756
Beeson "F" Federal Lease
Step Rate Test – Beeson "F" Federal No. 14
Eddy County, New Mexico

Dear Mr. Ashley,

Further to my letter of May 22, 2000 and Lori Wrotenbery's letter of May 25, 2000 and our telecom of May 25, 2000, we have completed a step rate test on Beeson "F" Federal No. 14 (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. 14 on May 31, 2000. The fracture (closure) pressure is indicated to be 2505 psi bottom hole corresponding to a surface pressure of 1287 psi (see attachments). Shahara Oil, LLC requests a maximum allowable surface injection pressure of 1237 psi for Beeson "F" Federal No. 14 as well as the two other wells No's F-13 & F-26, proposed injectors located in close proximity to F-14.

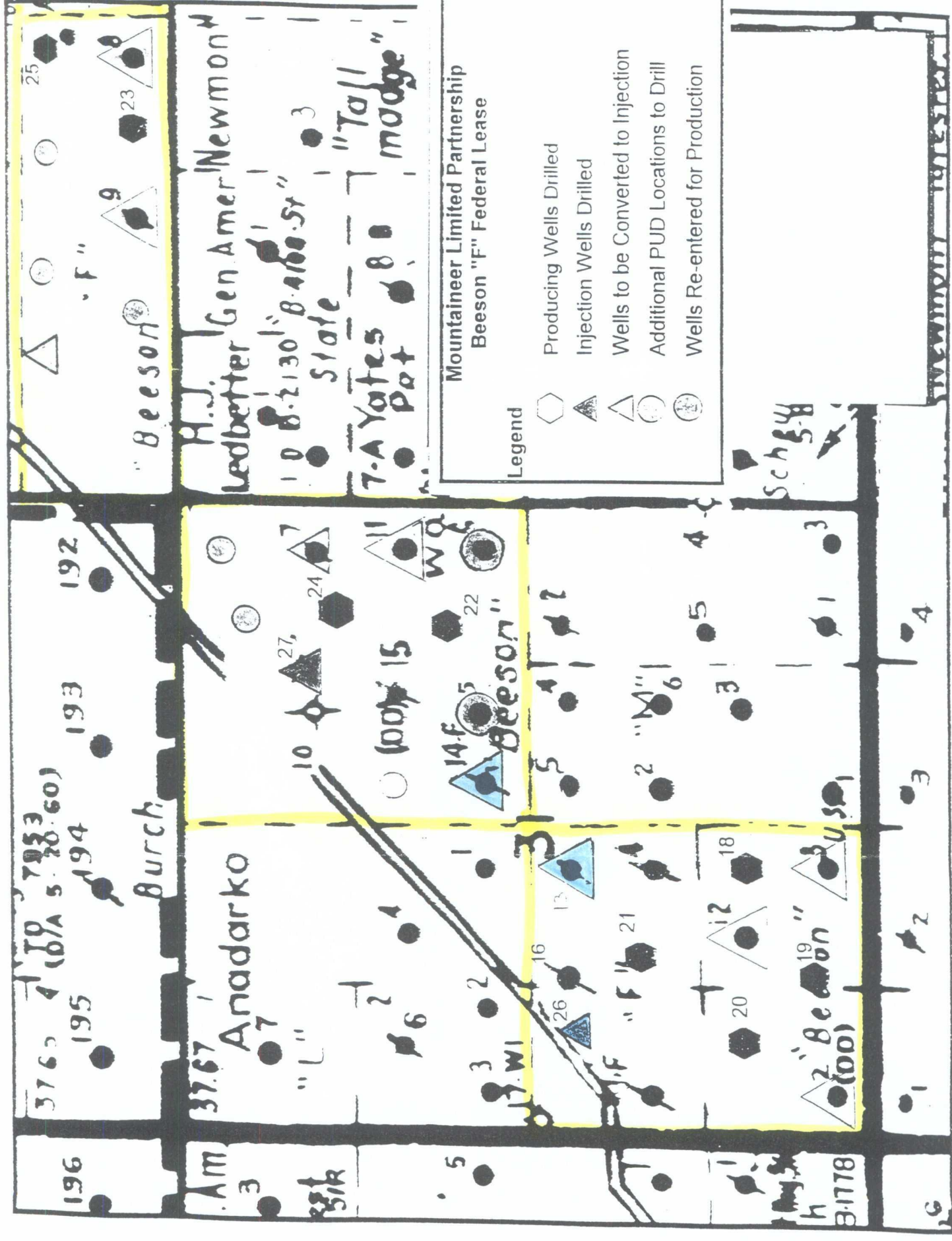
Your earliest consideration of this request is greatly appreciated.

Sincerely,

Perry L. Hughes

Attachments

30-015-04412 No.14
30-015-64402 No.13
30-015-30015 No.26
39520 Loco Hills, QU-GB-SA
303951 Beeson Federal



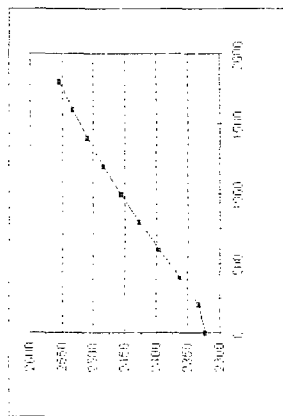
Mountaineer Limited Partnership
Beeson "F" Federal Lease

Legend

- Producing Wells Drilled
- Injection Wells Drilled
- Wells to be Converted to Injection
- Additional PUD Locations to Drill
- Wells Re-entered for Production

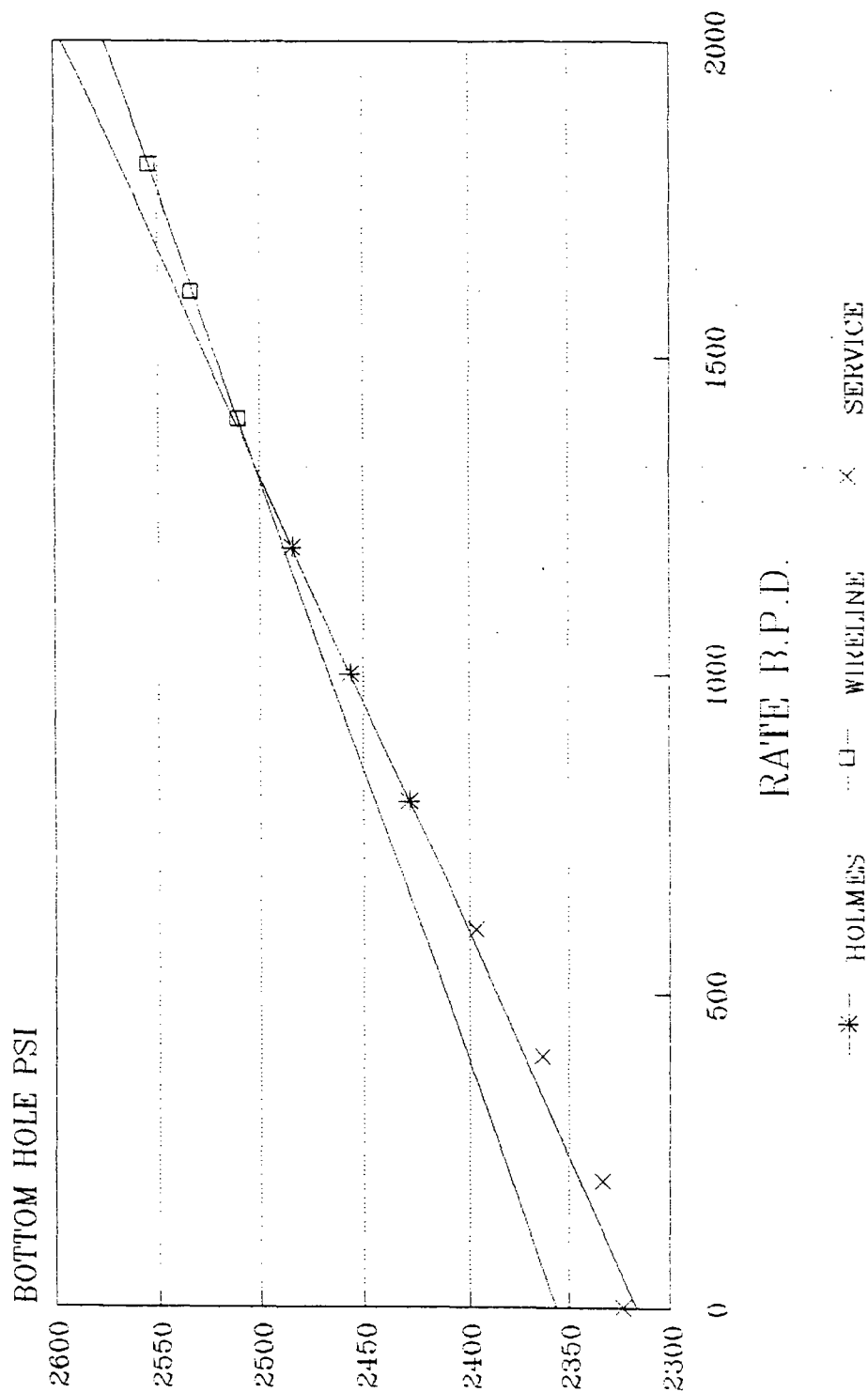
SHAHARA OIL
BEESON STATE F FEDERAL # 14

TIME	RATE	BH. PSI	SURF. PSI
11:00	0	2323	950
11:30	200	2333	1000
12:00	400	2363	1075
12:30	600	2396	1150
1:00	800	2428	1150
1:30	1000	2456	1200
2:00	1200	2484	1250
2:30	1400	2510	1300
3:00	1600	2533	1350
3:30	1800	2554	1400
3:45	0	2524	1300



BEESON "F" FEDERAL #14

05-31-00



FRACTURE @ 2505 BH PSI