NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSTRUCTION DIVISION

January 2, 1996

Conoco, Inc. 10 Desta Drive, Suite 100W Midland, Texas 79705-4500

Attn: Mr. Jerry Hoover

RE: Injection Pressure Increase MCA Unit Pressure Maintenance Project, Lea County, New Mexico

Dear Mr. Hoover:

Reference is made to your request dated November 17, 1995 to increase the surface injection pressure on three wells in the above referenced pressure maintenance project. This request is based on a step rate tests conducted on October 19 and 20, 1995. The results of the test 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:

| Well and Location | Maximum Injection Surface Pressure |
|--------------------------------------------------------------------------|---------------------------------------|
| MCA Unit Well No.280, Unit Letter H, Section 28 | 1898 PSIG |
| MCA Unit Well No.282, Unit Letter B, Section 27 | 1770 PSIG |
| MCA Unit Well No.311, Unit Letter C, Section 2 | 2560 PSIG |
| All located in Township 17 South, Range 33 East, Lea 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.

Sincerely,

William J. LeMa

Director

Injection Pressure Increase Conoco, Inc. January 2, 1996 Page 2

WJL/BES

cc: Oil Conservation Division - Hobbs

File: PMX-135, 180; PSI-X 3rd QTR 96