

February 9, 1998

Merit Energy Company 12222 Merit Drive, Suite 1500 Dallas, Texas 75251

Attn: Ms. Martha J. Rogers

RE: Injection Pressure Increase, Government 'D' Well No.1, Eddy County, New Mexico

Dear Ms. Rogers:

Reference is made to your request dated January 6, 1998 to increase the surface injection pressure on the above referenced well. This request is based on a step rate test conducted on December 8, 1997. 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:

Well and Location	Maximum Surface Injection Pressure
Government 'D' Well No.1	632 PSIG

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,

nstenbery Lori Wrotenbery

Director

LW/BES cc: Oil Conservation Division - Artesia Files: <u>SWD-579</u>; PSI-X 2nd QTR98