STATE OF NEW MEXICO



ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

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BRUCE KING GOVERNOR

ANITA LOCKWOOD CABINET SECRETARY

June 13, 1994

CF 2851 R-2538

Pyramid Energy, Inc. 10101 Reunion Place One Union Square, Suite 210 San Antonio, Texas 78216-4156

Attention: Scott Graef

Dear Mr. Graef:

Reference is made to your request dated April 29, 1994, to increase the surface injection pressure on six wells within the East Pearl Queen Unit Waterflood Project. This request is based upon fracture data contained within your request.

The data has been analyzed 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 described wells:

WELL & LOCATION

MAXIMUM SURFACE INJECTION PRESSURE

East Pearl Queen Unit No. 23 Unit G, 28-19S-35E 1800 PSIG East Pearl Queen Unit No. 25 Unit E, 27-19S-35E 1800 PSIG East Pearl Queen Unit No. 34 Unit I, 28-19S-35E 1800 PSIG East Pearl Queen Unit No. 35 Unit M, 27-19S-35E 1800 PSIG Unit C, 34-19S-35E East Pearl Queen Unit No. 41 1800 PSIG East Pearl Queen Unit No. 43 Unit E, 34-19S-35E 1800 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 00 LeMay William J/. Director

xc: Case No. 2851, OCD-Hobbs, D. Catanach, R. Brown