



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop
Cabinet Secretary

December 2, 2003

Lori Wrotenbery
Director

Oil Conservation Division

Burk Royalty Company, Ltd.
P.O. Box 94903
Wichita Falls, Texas 76308-0903

Attn: Mr. Charles Gibson

**RE: Injection Pressure Increase
 Phillips Cruces Lease Waterflood Project
 Lea County, New Mexico**

Dear Mr. Gibson:

Reference is made to your request dated October 3, 2003, to increase the surface injection pressure on the Cruces Well No. 3, which is located within the Phillips Cruces Lease Waterflood Project, Lynch Yates-Seven Rivers Pool, Lea County, New Mexico. This request is based on step rate test conducted on the well on September 30, 2003. The data has been reviewed by my staff and we feel an increase in injection pressure on this well is justified at this time.

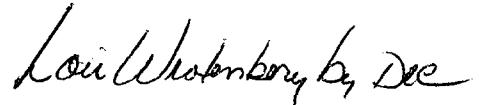
You are therefore authorized to increase the surface injection pressure on the following well:

WELL NAME & NUMBER	MAXIMUM SURFACE INJECTION PRESSURE
Cruces Well No. 3 (API No. 30-025-02459) 330' FSL & 1655' FWL (Unit N) Section 26, T-20 South, R-34 East, NMPM, Lea County, New Mexico	1600 psi

The Division Director may rescind this injection pressure increase if it becomes apparent that the injected fluid is not being confined to the injection zone or is endangering any fresh water aquifers.

*Injection Pressure Increase
Burk Royalty Company, Ltd.
Phillips Cruces Lease WF Project
December 2, 2003
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Sincerely,

A handwritten signature in cursive script that reads "Lori Wrotenbery, Dec".

Lori Wrotenbery
Director

LW/DRC

cc: Oil Conservation Division - Hobbs
Files: IPI-215, Case No. 9708