

JICARILLA 28 WELL No. 1

SCHEMATIC DIAGRAM SHOWING PRESENT CONVENTIONAL DUAL GALLUP DAKOTA COMPLETION (1) AND PROPOSED INSTALLATION OF "DUAL FLOW CHOKE ASSEMBLY" DUAL ZONE DOWNHOLE COMMINGLING (2).

KEY IN

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CASE NO. 3112

(RD)

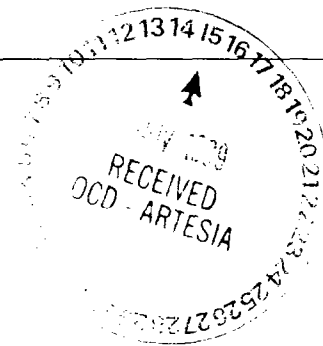


**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

November 3, 1999

Mr. Delbert McDougal
McQuadrangle, L.C.
7008 Salem Avenue
Lubbock, Texas 79424



**RE: Reinstatement of Injection Authorization
South Redlake Grayburg Unit**

Dear Mr. McDougal,

Reference is made to your recent request to reinstate authorization for authority to inject into 17 wells originally permitted by Division Orders R-2882, WFX-263 and WFX-542. My staff has considered your request and, pursuant to Rule 705.C., reinstatement of authority to inject is hereby granted. This authority shall apply to the following injection wells and all wells will be limited to .2 psi per foot of depth to the uppermost injection interval.

Well Name and Number	Location
SRLGU No.3	UL 'A', S-35, T-17S, R-27E
SRLGU No.6	UL 'F', S-35, T-17S, R-27E
SRLGU No.7	UL 'H', S-35, T-17S, R-27E
SRLGU No.8	UL 'E', S-36, T-17S, R-27E
SRLGU No.9	UL 'F', S-36, T-17S, R-27E
SRLGU No.11	UL 'G', S-36, T-17S, R-27E
SRLGU No.17	UL 'K', S-35, T-17S, R-27E
SRLGU No.18	UL 'J', S-35, T-17S, R-27E
SRLGU No.19	UL 'I', S-35, T-17S, R-27E
SRLGU No.20	UL 'L', S-36, T-17S, R-27E
SRLGU No.21	UL 'K', S-36, T-17S, R-27E
SRLGU No.28	UL 'N', S-36, T-17S, R-27E
SRLGU No.29	UL 'P', S-35, T-17S, R-27E
SRLGU No.35	UL 'B', S-2, T-17S, R-27E
SRLGU No.37	UL 'D', S-1, T-17S, R-27E
SRLGU No.40	UL 'G', S-2, T-17S, R-27E
SRLGU No.41	UL 'P', S-35, T-17S, R-27E

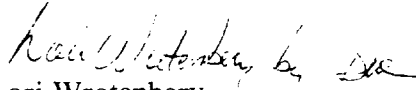
Reinstatement of Authority to Inject
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Prior to commencing injection operations into the wells, the casing shall be pressure tested from the surface to the packer setting depth to assure the integrity of said casing.

The Division Director may authorize an increase in injection pressure upon a proper showing by the operator of the subject wells that such higher pressure will not result in migration of the injected fluid from the Grayburg formation. Such proper showing shall consist of a valid step-rate test run in accordance with and acceptable to this office.

This injection authority shall be in effect for a period of one year and will expire on November 15, 2000. If injection has not been implemented by this date, the authority for injection shall terminate ipso facto. If this occurs, you may be required to submit additional data and other justification to have the subject Division Orders reinstated.

Sincerely,


Lori Wrottenbery
Director

LW/BES/kv

cc: Oil Conservation Division - Artesia
Files: Case File No.3212; WFX-263; WFX-542