



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop
Cabinet Secretary

August 27, 2003

Lori Wrotenbery

Director

Oil Conservation Division

Nance Petroleum Corporation
P.O. Box 7168
Billings, Montana 59103

Attn: Mr. Mike Mungas

**RE: Injection Pressure Increase,
Parkway Delaware Unit Waterflood Project
Eddy County, New Mexico**



Dear Mr. Mungas:

Reference is made to your request dated July 29, 2003, to increase the surface injection pressure on thirteen injection wells within the Parkway Delaware Unit Waterflood Project, Parkway-Delaware Pool, Eddy County, New Mexico. This request is based on step rate tests conducted in May and July, 2003. 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:

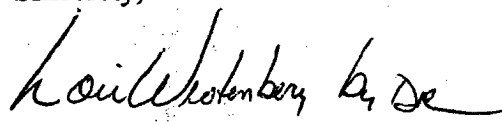
| WELL NAME & NUMBER | MAXIMUM SURFACE INJECTION PRESSURE |
|---|---|
| Parkway Delaware Unit No. 302, Unit E, Section 35, T-19S, R-29E API No. 30-015-26006 | 1225 psi |
| Parkway Delaware Unit No. 505, Unit L, Section 35, T-19S, R-29E API No. 30-015-26029 | 1225 psi |
| Parkway Delaware Unit No. 204, Unit D, Section 35, T-19S, R-29E API No. 30-015-26143 | 1225 psi |
| Parkway Delaware Unit No. 601, Lot 2, Section 2, T-20S, R-29E API No. 30-015-26433 | 1225 psi |
| Parkway Delaware Unit No. 303, Unit F, Section 35, T-19S, R-29E API No. 30-015-27445 | 1225 psi |
| Parkway Delaware Unit No. 506, Unit J, Section 35, T-19S, R-29E API No. 30-015-27464 | 1225 psi |

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| WELL NAME & NUMBER | MAXIMUM SURFACE INJECTION PRESSURE |
|---|---|
| Parkway Delaware Unit No. 304, Unit G, Section 35, T-19S, R-29E API No. 30-015-29503 | 1225 psi |
| Parkway Delaware Unit No. 507, Unit G, Section 35, T-19S, R-29E API No. 30-015-29504 | 1225 psi |
| Parkway Delaware Unit No. 205, Unit H, Section 35, T-19S, R-29E API No. 30-015-30026 | 1225 psi |
| Parkway Delaware Unit No. 703, Unit I, Section 35, T-19S, R-29E API No. 30-015-30027 | 1225 psi |
| Parkway Delaware Unit No. 704, Unit I, Section 35, T-19S, R-29E API No. 30-015-30028 | 1225 psi |
| Parkway Delaware Unit No. 508, Unit J, Section 35, T-19S, R-29E API No. 30-015-30029 | 1225 psi |
| Parkway Delaware Unit No. 509, Unit P, Section 35, T-19S, R-29E API No. 30-015-30030 | 1225 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.

Sincerely,


Lori Wrotenbery
Director

LW/DRC

cc: Oil Conservation Division - Artesia
Files: IPI-205, PMX-186, PMX-196; WFX-685,
Case File-10619
PSI-X-2003