



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

March 5, 2001

Shahara Oil, LLC
207 West McKay
Carlsbad, New Mexico 88220

Attention: Mr. Perry L. Hughes

Re: Injection Pressure Increase
Shahara State Unit Wells No. 5, 6, 7 and 8
Section 16, Township 17 South, Range 33 East,
Lea County, New Mexico

Dear Mr. Hughes:

I have reviewed the step rate test conducted on the Shahara State Unit Well No. 5. The test data demonstrates that the well may have fractured at or near the current maximum surface pressure of 2165 psi. The test data does not support your request to increase the surface injection pressure to 2339 psi.

Your request is therefore denied.

If you should have any questions, please contact me at (505) 476-3466.

Sincerely,

David Catanach
Engineer

Xc: OCD-Hobbs
Case File -11924