



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

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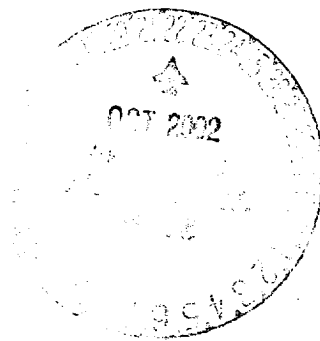
October 11, 2002

Lori Wrotenbery
Director
Oil Conservation Division

Dugan Production Corporation
709 E. Murray Dr
PO Box 420
Farmington, New Mexico 87499-0420

Attn: Mr. John Alexander

**Re: Injection Pressure Increase
Locke SWD No. 1
San Juan County, New Mexico**



Dear Mr. Alexander:

Reference is made to your verbal request on October 11, 2002, to increase the surface injection pressure on the above referenced SWD well. This request is based on a step rate test conducted on the well on October 9, 2002. After reviewing test results, we feel an increase in injection pressure is justified at this time.

With size and type of tubing remaining 2 3/8 inch, you are authorized to increase the surface injection pressure to the following:

Well and Location	Maximum Surface Injection Pressure
Locke SWD Well No. 1 SWD (API: 30-045-25630) 1120 FSL 1120 FEL, Sec 3, T29N, R14W, NMPM, San Juan County	1100 PSIG Water

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,
Lori Wrotenbery (wvj)
Lori Wrotenbery
Director

cc: Oil Conservation Division – Aztec /
Files: SWD-833; IPI 2002