



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

May 16, 2006

Siana Operating, LLC
P.O. Box 10303
Midland, Texas 79702

Attn: Tonya M. Reece

Re: Injection Pressure Increase Request
Curry Federal Well No. 2
Section 22, T-23S, R-34E, NMPM,
Lea County, New Mexico

Dear Ms. Reece:

I have received and reviewed your recent application to increase the surface injection pressure on the Curry Federal Well No. 2. According to Division records, the subject well is currently authorized to inject at a pressure of 1046 psi (authorized by Order No. SWD-588). Please be advised that in order to be granted an increase in surface injection pressure, the step rate test conducted on the well must show that injection at a surface pressure *higher* than that currently authorized will not result in fracturing of the well. A review of the step rate test performed on the well shows that the maximum surface injection pressure achieved during the test was 876 psi. This test is therefore inconclusive and does not show that it is safe to inject at a higher pressure. Your request is therefore **denied**.

If you should have any questions, please contact me at (505) 476-3466 or E-mail me at david.catanach@state.nm.us.

Sincerely,

David Catanach

Engineer

Xc: OCD-Hobbs
File-SWD-588