

# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**

Governor

**Joanna Prukop**

Cabinet Secretary

**Mark E. Fesmire, P.E.**

Director

**Oil Conservation Division**

July 17, 2006

Division Order No. IPI-270

Lance Oil & Gas Company, Inc.  
P.O. Box 70  
Kirtland, New Mexico 87417

Attention: Mr. Thomas M. Erwin, P.E.

**RE:   Injection Pressure Increase  
      Salty Dog Well No. 6  
      San Juan County, New Mexico**

Dear Mr. Erwin:

Reference is made to your request received by the Division on July 14, 2006, to increase the surface injection pressure on the Salty Dog Well No. 6. This request is based on a step rate test conducted on the well on July 7, 2006. The results of the step rate test show that an increase in the surface injection pressure for this well is justified and will not result in the fracturing of the injection formation and confining strata.

You are therefore authorized to increase the surface injection pressure on the following well:

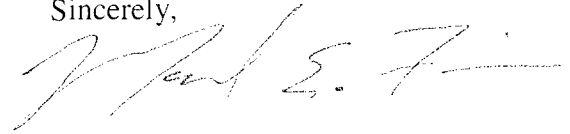
<b>WELL NAME &amp; NUMBER</b>	<b>MAXIMUM SURFACE INJECTION PRESSURE</b>
Salty Dog Well No. 6 API No. 30-045-32943 Unit D, Section 19, T-29 North, R-13 West, NMPM, San Juan County, New Mexico	2,246 PSIG

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.

*Administrative Order No. IPI-270*  
*Lance Oil & Gas Company, Inc.*  
*July 17, 2006*  
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Sincerely,

A handwritten signature in dark ink, appearing to read 'Mark E. Fesmire', with a stylized flourish at the end.

Mark E. Fesmire, P.E.  
Division Director

cc: Oil Conservation Division - Aztec  
File: SWD-974