

New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



Administrative Order IPI-307

December 10, 2008

Apollo Energy, LP
4823 Ihles Road
Lake Charles, LA. 70605

Attention: Thomas G. Wright

RE: Injection Pressure Increase Request

Russell Yates Waterflood Project

WFX; Russell Yates Pool

Sec 13, T20 South, R28 East, NMPM, Eddy County, New Mexico

Injection fluid will be reinjected water produced from the Yates Formation

Reference is made to your request received December 9, 2008, to increase the surface injection pressure on six (6) wells in the above referenced project. This request is based on step rate test data run by I&W on these wells in December of 2008 and additional inferred reservoir pressure information provided by your Engineer Mr. Greg Hall on these wells.

You are hereby authorized to increase the maximum surface injection pressure up to **550 psi** as on these wells provided the tubing, size, type, and setting depths do not change, on the following wells:

<i>Well Name and Number</i>	<i>WFX No.</i>	<i>Max. Surf. Pressure</i>
Russell USA Well No. 9	WFX-838	550 psig
Russell USA Well No.24	WFX-845	550 psig
Russell USA Well No.39	WFX-845	550 psig
Russell USA Well No.41	WFX-838	550 psig
Russell USA Well No.49	WFX-838	550 psig
Russell USA Well No.50	WFX-838	550 psig

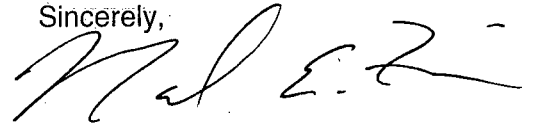
This approval is subject to your being in compliance with all other Division rules, including but not limited to Division Rule 5.9.



The Division Director may rescind this injection pressure increases if it becomes apparent that the injected fluid is not being confined to the injection zone or is endangering any fresh water aquifers.

The injection authority granted herein shall terminate one year after the effective date of this order if the operator has not commenced injection operations into the subject well; provided however, the Division, upon written request by the operator, may grant an extension thereof for good cause shown.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark E. Fesmire', written in a cursive style.

Mark E. Fesmire, P.E.
Director

MEF/tw

cc: Oil Conservation Division – Artesia
Bureau of Land Management - Carlsbad
File: WFX-838 & WFX-845