



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

IPI-221

February 2, 2004

Lori Wrotenbery

Director

Oil Conservation Division

Calpine Natural Gas Company
C/o Walsh Engineering & Production Corporation
7415 East Main
Farmington, New Mexico 87402

Attn: Paul C. Thompson, P.E.

**Re: Injection Pressure Increase
Calpine SWD No. 1
API: 30-045-09068
SWD-861-A
1125 FNL, 1580 FEL, Sec 33, T30N, R13W, NMPM
San Juan County, New Mexico**

Dear Mr. Thompson:

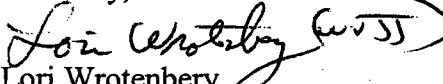
The New Mexico Oil Conservation Division received your written request on January 29, 2004, to increase the allowable surface injection pressure on this disposal well. This request is based on a step rate test conducted on this well on January 26, 2003. After reviewing test results, we feel an increase in injection pressure is justified at this time.

On December 5, 2002, Division administrative order SWD-861 (as revised) permitted this well for injection into the Point Lookout member of the Mesaverde formation from 3,830 to 3,900 feet through 2-7/8 inch tubing. The currently approved surface injection pressure for this well is 766 psi.

As a result of this injection step rate test, you are hereby authorized to increase the maximum surface injection pressure to 1,100 psi.

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
Director

cc: Oil Conservation Division – Aztec
Files: SWD-861; UJC