



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark Fesmire, P.E.

Director

Oil Conservation Division

June 10, 2004

Division Order No. IPI-233

Xeric Oil & Gas Corporation
P.O. Box 352
Midland, Texas 79702

Attention: Ms. Angie Crawford

**RE: *Injection Pressure Increase
Genesis State SWD Well No. 3
Lea County, New Mexico***

Dear Ms. Crawford:

Reference is made to your request received by the Division on June 3, 2004 to increase the surface injection pressure on the Genesis State SWD Well No. 3. This request is based on a step rate test conducted on the well during May, 2004. 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.

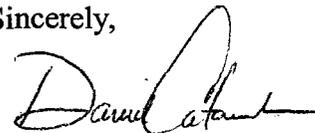
You are therefore authorized to increase the surface injection pressure on the following well:

<i>WELL NAME & NUMBER</i>	<i>MAXIMUM SURFACE INJECTION PRESSURE</i>
Genesis State SWD Well No. 3 API No. 30-025-34664 Unit I, Section 18, T-20 South, R-36 East, NMPM, Lea County, New Mexico	1830 PSI

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.

Injection Pressure Increase
Xeric Oil & Gas Corporation
June 10, 2004
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Sincerely,

A handwritten signature in black ink, appearing to read "David Catanach". The signature is fluid and cursive, with a large initial "D" and a long horizontal stroke at the end.

David Catanach
Engineer/Examiner

cc: Oil Conservation Division - Hobbs
File: SWD-767