



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

August 18, 2004

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

Division Order No. IPI-239

EOG Resources, Inc.
P.O. Box 2267
Midland, Texas 79702

Attention: Mr. Stan Wagner

**RE: *Injection Pressure Increase
Hat Mesa State Well No. 10
Lea County, New Mexico***

Dear Mr. Wagner:

Reference is made to your request received by the Division on August 13, 2004 to increase the surface injection pressure on the Hat Mesa State Well No. 10. This request is based on a step rate test conducted on the well on June 17, 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.

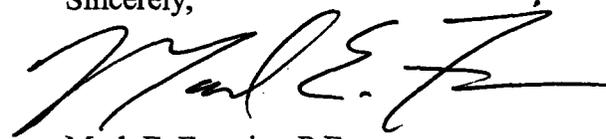
You are therefore authorized to increase the surface injection pressure on the following well:

<i>WELL NAME & NUMBER</i>	<i>MAXIMUM SURFACE INJECTION PRESSURE</i>
Hat Mesa State Well No. 10 API No. 30-025-30534 Unit F, Section 32, T-20 South, R-33 East, NMPM, Lea County, New Mexico	1350 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.

Injection Pressure Increase
EOG Resources, Inc.
August 18, 2004
Page 2

Sincerely,

A handwritten signature in black ink, appearing to read "Mark E. Fesmire". The signature is fluid and cursive, with a large initial "M" and a long horizontal stroke at the end.

Mark E. Fesmire, P.E.
Director

cc: Oil Conservation Division - Hobbs
File: SWD-509