



New Mexico Energy, Minerals and Natural Resources Department

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Deputy Cabinet Secretary

Jami Bailey
Division Director
Oil Conservation Division



June 22, 2011

Administrative Order IPI-402
Application No. pTGW1115734838

XTO Energy, Inc.
200 N. Loraine, Ste. 800
Midland, TX 79701

Attention: Patty Urias

RE: Injection Pressure Increase
Remuda Basin State Well No. 1
Section 23, T23 South, R30 East
Eddy County, New Mexico

Dear Ms. Urias:

Reference is made to your request on behalf of XTO Energy, Inc. (OGRID 5380) received by the Division on June 6, 2011 to increase the surface injection pressure on the Remuda Basin State Well No. 1. Your request is based upon a step rate test recently conducted on this well. The results of the step rate test indicate 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.

It is our understanding that this well will not take a sufficient volume of water at the present pressure limits and a higher pressure limit is needed for successful salt water disposal operation.

Based on a step rate injection test was conducted April 28, 2011 you are hereby authorized to increase the surface injection pressure on the following well located in Eddy County, New Mexico:

Well	Delaware/BS Perfs.	Surf. Inj.
Remuda Basin State Well No. 1 API No. 30-015-28422, Unit F	3336'-4048'	1000 PSI



This approval is based on a provision that the tubing size, packer setting depth and perforation depths do not change. You are prohibited from injecting at pressures that would induce fracturing.

The operator is responsible for ensuring injected waters do not migrate upward inside or outside of this casing and enter formations above the permitted injection interval.

This approval is subject to your being in compliance with all other Division rules, including but not limited to Division Rule 19.15.5.9 NMAC.

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.

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

Sincerely,



Jami Bailey
Director

JB/tw

cc: Oil Conservation Division – Artesia