



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

April 28, 2005

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

Division Order No. IPI-252

Gruy Petroleum Management Co.
300 Texas Avenue
Eunice, New Mexico 88231

Attn: Mr. Reggie Reston

**RE: Injection Pressure Increase
Red Hills SWD Well No. 1
Lea County, New Mexico**

Dear Mr. Reston:

Reference is made to your request dated April 22, 2005, to increase the surface injection pressure on the Red Hills SWD Well No. 1. This request is based on a step rate injection test that was conducted on the well on April 5, 2005. The step rate test data shows that approval of the request 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>
Red Hills SWD Well No. 1 API No. 30-025-35598 Unit M, Section 28, T-25 South, R-33 East, NMPM, Lea County, New Mexico	1408 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
Gruy Petroleum Management Co.
April 28, 2005
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Sincerely,

A handwritten signature in black ink, appearing to read "Mark E. Fesmire". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Mark E. Fesmire, P.E.
Director

cc: Oil Conservation Division - Hobbs
File: SWD-797