



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

April 18, 2006

Division Order No. IPI-267

Key Energy Services, Inc.
6 Desta Drive
Suite 4400
Midland, Texas 79705

Attention: Mr. W. A. Baker

**RE: Injection Pressure Increase
BKE Well No. 1
Eddy County, New Mexico**

Dear Mr. Baker:

Reference is made to your request received by the Division on April 14, 2006, to increase the surface injection pressure on the BKE Well No. 1. This request is based on a step rate test conducted on the well on March 31, 2006. 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:

| WELL NAME & NUMBER | MAXIMUM SURFACE INJECTION PRESSURE |
|---|---|
| BKE Well No. 1 API No. 30-015-23493 Unit H, Section 13, T-23 South, R-27 East, NMPM, Eddy 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.

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Sincerely,



Mark E. Fesmire, P.E.
Division Director

cc: Oil Conservation Division - Artesia
File: SWD-495