



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

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

August 14, 2007

Division Order No. IPI-283

Apollo Energy, L.P.
c/o Reagan Smith Energy Solutions, Inc.
2525 N.W. Expressway
Suite 312
Oklahoma City, Oklahoma 73112

Attn: Mr. Scott St. John

**RE: *Injection Pressure Increase
Russell USA Well No. 60
Eddy County, New Mexico***

Dear Mr. St. John:

Reference is made to your request dated June 22, 2007, to increase the surface injection pressure on the Russell USA Well No. 60. This request is based on a step rate injection test that was conducted on the well on June 6, 2007. 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>
Russell USA Well No. 60 API No. 30-015-10420 Unit F, Section 13, Township 20 South, Range 28 East, Eddy County, New Mexico	420 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.

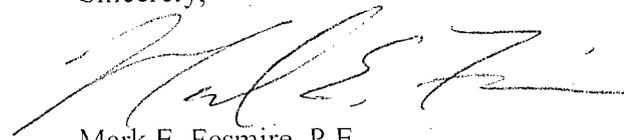
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Sincerely,

A handwritten signature in black ink, appearing to read 'Mark E. Fesmire', written in a cursive style.

Mark E. Fesmire, P.E.
Director

cc: Oil Conservation Division - Artesia
File: SWD-1079