



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



Administrative Order IPI-300
June 30, 2008

EOR Operating Company
200 N. Loraine
Suite 1440
Midland, TX 79701

Attention: Larry Spittler

RE: Injection Pressure Increase Request
Milnesand Unit Well No. 59 (API No. 30-041-00256)
Unit B, Township 8 South, Range 34 East, NMPM, Roosevelt County
Milnesand-San Andres Pool (46930)

Reference is made to your request on behalf of EOR Operating Company (OGRID 257420) received June 17, 2008, to increase the surface injection pressure limit on the above named well.

Administrative Order No WFX-519 approved on October 28, 1983, permitted Well No. 59 for injection into the perforated interval from 4580 to 4623 feet and allowed a maximum surface injection pressure of 916 psi. It is our understanding that this well will not take a sufficient volume of water at this pressure limit and a higher pressure limit is needed to optimize waterflood operations within this unit.

The basis for granting this pressure increases is a injection step rate test run on this well on January 16, 2008. 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 hereby authorized to utilize up to the following maximum surface injection pressures on this well provided the tubing, size, type, and setting depth does not change.

Max Surface Pressure
1,000 psi

This approval is subject to your being in compliance with all other Division rules, including but not limited to, Division Rule 40.



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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 if any fresh water aquifer is endangered.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark E. Fesmire". The signature is fluid and cursive, with the first name "Mark" being the most prominent.

Mark E. Fesmire, P.E.
Director

MEF/wvjj

cc: Oil Conservation Division – Hobbs
WFX-519