



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-316
March 4, 2009

XTO Energy Inc.
382 Road 3100
Aztec, NM 87410

Attention: Ryan Lavergne

RE: Injection Pressure Increase Request

Kutz Federal SWD Well No. 1 (API: 30-045-34317) Unit F,
Sec. 06, Township 27 North, Range 10 West, NMPM, San Juan County, New Mexico,
Point Lookout member of Mesaverde group
Through perforations from 4048 feet to 4104 feet

Reference is made to your request on behalf of XTO Energy Inc. (OGRID 005380) received by the Division February, 24, 2009, to increase the surface injection pressure limit on the above-named disposal well.

Administrative Order No. SWD-1097-A approved on February, 11, 2009, permitted the Kutz Federal SWD Well No. 1 for injection into the Point Lookout member of the Mesaverde group at 4048 feet to 4104 feet and allowed a maximum surface injection pressure of 810 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 enable increased water disposal.

The basis for granting this pressure increase is the step-rate test run by Phoenix Services, on this well in January of 2009. Phoenix Services measured the pressures during this test with surface and downhole pressure gauges. The results from the step rate test data 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 **1280 psi** as the maximum surface injection pressure on this well provided the tubing size, type, setting depth, and perforation depths do not change. However, you are prohibited from injecting at pressures that would induce fracturing,

The injection authority granted herein shall terminate one (1) year after the effective date of this order if the operator has not commenced injection operations into the subject well, provided however, the Division, upon written request by the operator, may grant an extension thereof for good cause shown.



Administrative Order: IPI-316

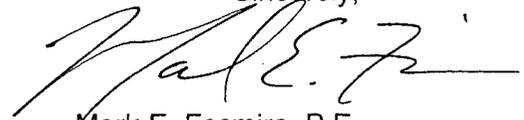
March 4, 2009

Page 2 of 2

This approval is subject to your being in compliance with all other Division rules, including but not limited to Division Rule 5.9.

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.

Sincerely,

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

Mark E. Fesmire, P.E.
Director

MEF/tw

Cc: Oil Conservation Division - Aztec
Bureau of Land Management - Farmington