



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

July 5, 2001

Texaco Exploration & Production Inc.
P.O. Box 3109
Midland, Texas 79702-3019

Attn: Mr. Stephen Guillot

**RE: Injection Pressure Increase,
NM State "Z" NCT-1 Well No. 1
API No. 30-025-29988
Lea County, New Mexico**

Dear Mr. Guillot:

Reference is made to your request dated May 8, 2001 to increase the surface injection pressure on the above referenced well. This request is based on step rate tests conducted on the well on March 6, 2001. The results of the test have been reviewed by my staff and we feel an increase in injection pressure on this well is justified at this time.

You are therefore authorized to increase the surface injection pressure on the following well:

| <i>Well and Location</i> | <i>Maximum Surface Injection Pressure</i> |
|--|---|
| New Mexico State "Z" NCT-1 Well No. 1 | 2102 PSIG |
| Located in Unit C of Section 2, Township 18 South, Range 34 East, Lea County, New Mexico. | |

*Injection Pressure Increase
Texaco Exploration & Production Inc.
New Mexico State "Z" NCT-1 Well No. 1
July 5, 2001*

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,



Lori Wrotenbery
Director

LW/DRC

cc: Oil Conservation Division - Hobbs
Files: SWD-776; PSI-X 3rd QTR01