



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

February 7, 2007

Judah Oil, LLC
P.O. Box 568
Artesia, New Mexico 88211-0568

Attention: Ms. Jennifer King

Re: Step Rate Injection Test
Pure Grace State SWD Well No. 1
API No. 30-015-24119
Section 34, T-23S, R-27E, NMPM
Eddy County, New Mexico



Dear Ms. King:

I have reviewed the step rate injection test submitted by Judah Oil, LLC on January 17, 2007 for the Pure Grace State SWD Well No. 1. Please be advised that the test cannot be approved for the following reason. Division guidelines for conducting step rate injection tests require that the test be initiated at a surface pressure below the currently authorized surface injection pressure for the well. Division records show that the currently authorized surface injection pressure for the well is 470 psi. The test was initiated at a pressure of 762 psi. In addition, on future step rate injection tests, the Division prefers that a bottomhole pressure measurement and recording device be utilized during the test.

If another test is conducted on the well, please advise the Artesia District Office of the Division of the date and time so that the operation may be witnessed.

Sincerely,

David Catanach
Engineer

Xc: OCD-Artesia