



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
BETTY RIVERA
Cabinet Secretary

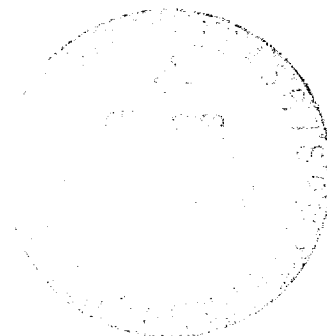
July 23, 2002

Lori Wrotenbery
Director
Oil Conservation Division

Dugan Production Corporation
709 E. Murray Dr
PO Box 420
Farmington, New Mexico 87499-0420

Attn: Mr. John Alexander

**Re: Injection Pressure Increase
Sanchez O'Brien Well No. 1 SWD
San Juan County, New Mexico**



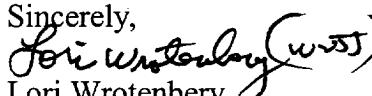
Dear Mr. Alexander:

Reference is made to your request dated July 1, 2002 (received in this office July 3, 2002), to increase the surface injection pressure on the above referenced SWD well. This request is based on a step rate test conducted on the well on June 6, 2002. After reviewing test results, we feel an increase in injection pressure is justified at this time.

With size and type of tubing remaining 2 7/8 inch set at 3210 feet, you are authorized to increase the surface injection pressure to the following:

Well and Location	Maximum Surface Injection Pressure
Sanchez O'Brien Well No. 1 SWD (API: 30-045-25298) 1650 FSL, 990 FWL, Sec 6, T24N, R9W, NMPM, San Juan County	2200 PSIG Water

The Division Director may rescind this injection pressure increase if it becomes apparent that the injected water is not being confined to the injection zone or is endangering any fresh water aquifers.

Sincerely,

Lori Wrotenbery
Director

cc: Oil Conservation Division – Aztec
Files: SWD-694; IPI 2002