

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON Governor Joanna Prukop Cabinet Secretary Acting Director Oil Conservation Division

April 12, 2004

ChevronTexaco 15 Smith Road Midland, Texas 79705

Attn: Mr. Mario A. Ballesteros

Re: Injection Pressure Increase Vacuum Grayburg San Andres Unit Well No. 34 API: 30-025-24312 Unit J, Section 1,T-18 South, R-34 East, NMPM, Lea County, New Mexico

Dear Mr. Ballesteros:

Reference is made to your request received in the Santa Fe office of the New Mexico Oil Conservation Division on April 5, 2004, to increase the surface injection pressure on the above-referenced injection well. This request is based on a step rate test conducted on this well on February 23 and March 29, 2004. The test results have been reviewed and we feel an increase in injection pressure is justified at this time.

Without modifying the tubing size or type in the well, you are authorized to inject water at or below 2,000 psi surface injection pressure.

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,

David Catanach Engineer/Examiner

cc: Oil Conservation Division – Hobbs Files: Case No. 12592, PMX-111