



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

June 15, 2004

Division Order No. IPI-236

Pogo Producing Company
P.O. Box 10340
Midland, Texas 79702-7340

Attention: Mr. Barrett L. Smith

**RE: Injection Pressure Increase
 Lost Tank "33" Federal SWD Well No. 2
 Eddy County, New Mexico**

Dear Mr. Smith:

Reference is made to your request received by the Division on May 25, 2004 to increase the surface injection pressure on the Lost Tank "33" Federal SWD Well No. 2. This request is based on a step rate test conducted on the well on May 6, 2004. The results of the step rate test 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.

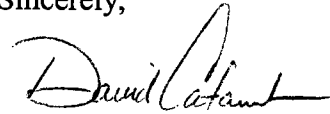
You are therefore authorized to increase the surface injection pressure on the following well:

WELL NAME & NUMBER	MAXIMUM SURFACE INJECTION PRESSURE
Lost Tank "33" Federal SWD Well No. 2 API No. 30-015-29330 Unit M, Section 33, T-21 South, R-31 East, NMPM, Eddy County, New Mexico	1807 PSIG

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.

Injection Pressure Increase
Pogo Producing Company
June 15, 2004
Page 2

Sincerely,

A handwritten signature in black ink, appearing to read "David Catanach". The signature is fluid and cursive, with a large initial "D" and a long, sweeping underline.

David Catanach
Engineer/Examiner

cc: Oil Conservation Division - Artesia
File: SWD-708