

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON Governor Joanna Prukop Cabinet Secretary

Mark E. Fesmire, P.E. Director Oil Conservation Division

Division Order No. IPI-245

January 4, 2005

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

Attn: Mr. Barrett L. Smith

RE: Injection Pressure Increase, Sand Dunes "28" Federal Well No. 1 Eddy County, New Mexico

Dear Mr. Smith:

Reference is made to your request dated November 2, 2004 to increase the surface injection pressure on the Sand Dunes "28" Federal Well No. 1. This request is based on a step rate test conducted on the well on October 25, 2004. The results of the 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 and Location | Maximum Surface Injection Pressure |
|----------------------------------------------------------------------------------------------------------------------|---------------------------------------|
| Sand Dunes "28" Federal Well No. 1 (API No. 30-015-26194) Unit J, Section 28, Township 23 South, Range 31 East | 1325 PSIG |

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

> Oil Conservation Division * 1220 South St. Francis Drive * Santa Fe, New Mexico 87505 Phone: (505) 476-3440 * Fax (505) 476-3462 * <u>http://www.emnrd.state.nm.us</u>

Division Order No. IPI-245 Pogo Producing Company January 4, 2005 Page 2

Sincerely,

~<u>~</u>

Mark E. Fesmire, P.E. Director

MEF/drc

cc: Oil Conservation Division - Artesia File: SWD-515