



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:

<i>Well and Location</i>	<i>Maximum Surface Injection Pressure</i>
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.

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Sincerely,

A handwritten signature in black ink, appearing to read 'Mark E. Fesmire', written in a cursive style.

Mark E. Fesmire, P.E.
Director

MEF/drc

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