

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON Governor Joanna Prukop Cabinet Secretary

March 14, 2005

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

Division Order No. IPI-251

Sage Energy Company P.O. Box 3068 Midland, Texas 79702

Attn: Mr. George M. Harris, Jr.

RE: Injection Pressure Increase North Vacuum Abo North Unit "12A" Well No. 1 North Vacuum Abo North Unit WF Project Lea County, New Mexico

Dear Mr. Harris:

Reference is made to your request dated January 27, 2005, to increase the surface injection pressure on the North Vacuum Abo North Unit "12A" Well No. 1. This request is based on initial well fracture data and the current fracture gradient within the project. The data provided shows that approval of the request 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
North Vacuum Abo North Unit "12A" Well No. 1 API No. 30-025-25146 Unit P, Section 36, T-16 South, R-34 East, NMPM, Lea County, New Mexico	3804 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.

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Sincerely, Mark & Fermire by Dec

Mark E. Fesmire, P.E. Director

cc: Oil Conservation Division - Hobbs File: WFX-810