



New Mexico Energy, Minerals and Natural Resources Department

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Governor

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Cabinet Secretary-Designate

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Division Director
Oil Conservation Division



December 7, 2011

Administrative Order IPI-409
Application No. pTGW1132550534

Judah Oil, LLC
P.O. Box 568
611 W. Mahone, Suite D
Artesia, NM 88211-0568

Attention: James B. Campanella

RE: Injection Pressure Increase
Jamoca Federal SWD Well No. 1 (API 30-015-32265)
Unit A of Sec 29, T17 South, R31 East
Eddy County, New Mexico

Reference is made to your request on behalf of Judah Oil, LLC [OGRID 245872] received by the Division on November 21, 2011 to increase the surface injection pressure on the Jamoca Federal SWD Well No. 1.

This well was approved by the Division for injection into the Delaware Mountain Group from approximately 8,890 feet to 9,685 feet with SWD-1249 and given a maximum surface injection pressure of 1778 psi.

It is our understanding that this well will not take a sufficient volume of water at this pressure limit and a higher pressure limit is needed. It is also understood that an increase will not result in the fracturing of the injection formation and confining strata.

Based on the step rate injection test for this well run on September 26, 2011 we feel it does support an increase to 2500 psi. Any future requested increase beyond 2500 psi will require resubmission of additional data and a new step-rate test.

You are hereby authorized to increase the surface injection pressure on the following well located in Eddy County, New Mexico:



Well Number	Wolfcamp Formation Perforations	Surface Injection Pressure
Jamoca Federal SWD Well No. 1 API No. 30-015-32265, Unit A, Sec 29, T17 South, R31 East	Approximately 8,890'-9,685'	2500 PSI

This approval is based on a provision that the tubing size, packer setting depth and perforation depths do not change. You are prohibited from injecting at pressures that would induce fracturing.

The operator is responsible for ensuring injected waters do not migrate upward inside or outside of this casing and enter formations above the permitted injection interval.

This approval is subject to your being in compliance with all other Division rules, including but not limited to Division Rule 19.15.5.9 NMAC.

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.

The injection authority granted herein shall terminate two years after the effective date of this order if the operator has not commenced injection operations into the subject wells, provided however, the Division, upon written request by the operator, may grant an extension thereof for good cause shown.

Sincerely,



Jami Bailey
Director

JB/tw

cc: Oil Conservation Division – Artesia
Bureau of Land Management-Carlsbad