

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON Governor Joanna Prukop Cabinet Secretary

September 20, 2005

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

Division Order No. IPI-256

Latigo Petroleum, Inc. 550 W. Texas Suite 700 Midland, Texas 79701

Attention: Ms. Sabra Woody

RE: Injection Pressure Increase Central Corbin Queen Unit Waterflood Project Lea County, New Mexico

Dear Ms. Woody:

Reference is made to your request received by the Division on August 29, 2005, to increase the surface injection pressure on two injection wells within the Central Corbin Queen Unit Waterflood Project. This request is based on step rate tests conducted on these well during July, 2005. The results of the step rate tests show that an increase in the surface injection pressure for these 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 wells:

WELL NAME & NUMBER	MAXIMUM SURFACE INJECTION PRESSURE
Central Corbin Queen Unit Well No. 202 API No. 30-025-29363 Unit N, Section 4, T-18 South, R-33 East, NMPM, Lea County, New Mexico	979 PSIG
Central Corbin Queen Unit Well No. 207 API No. 30-025-29776 Unit P, Section 4, T-18 South, R-33 East, NMPM, Lea County, New Mexico	902 PSIG

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> Injection Pressure Increase Latigo Petroleum, Inc. September 20, 2005 Page 2

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.

Sincerely,

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Mark E. Fesmire, P.E Division Director

cc: Oil Conservation Division - Hobbs File: WFX-811