

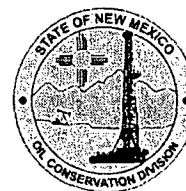
State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John Bemis
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey
Division Director
Oil Conservation Division



Administrative Order IPI-430
February 8, 2013

Joe B. Bryand
Mewbourne Oil Company
PO Box 5270
Hobbs, NM 88240

RE: Injection Pressure Increase
SWD-1347, SWD; Delaware Pool
San Lorenzo SWD Well No. 1 API 30-015-23067
Unit L, Sec 15, T25S, R28E, NMPM, Eddy County, New Mexico

Dear Mr. Bryand:

Reference is made to your request on behalf of Mewbourne Oil Company (OGRID 14744) received by the Division on January 22, 2013, to increase the maximum allowed surface tubing pressure on the above named well.

This well was permitted by the Division for water disposal from 2586 to 5721 feet in the Delaware Mountain Group by Division administrative Order SWD-1347 approved August 9, 2012. That permit allowed a maximum disposal tubing pressure of 517 psi and requires an injection survey within one year of commencing disposal.

It is our understanding that this well will not take a sufficient volume of fluid at the current pressure limit and a higher pressure limit is needed.

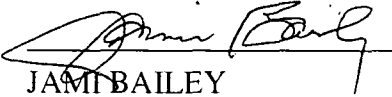
Based on a Step Rate Test for this well run January 8, 2013, you are hereby authorized to inject at the following maximum surface tubing pressure:

San Lorenzo SWD Well No. 1 API 30-015-23067 800 psi

This approval is based on the provision that the tubing size, packer setting depth and completion interval for this well does not change. Any future requested pressure increase will require resubmission of additional data and data from a step-rate test. The Division Director retains the right to require at any time wireline verification of completion and packer setting depths in this well. 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 permitted injection pressure increase if it becomes apparent that the injected fluid is not being confined to the permitted disposal interval or is endangering any fresh water aquifer.

Sincerely,

A handwritten signature in black ink, appearing to read "Jami Bailey", written over a horizontal line.

JAMI BAILEY

Director

JB/wvjj

cc: Oil Conservation Division – Artesia
Files: SWD-1347