



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**

Governor

**Joanna Prukop**

Cabinet Secretary

**Mark E. Fesmire, P.E.**

Director

**Oil Conservation Division**

March 21, 2006

Division Order No. IPI-266

Ameristate Exploration, LLC  
111 Congress Avenue  
Suite 2700  
Austin, Texas 78701-4067

Attention: Mr. Michael Arguijo

**RE:   *Injection Pressure Increase  
East Millman Unit Waterflood Project  
Eddy County, New Mexico***

Dear Mr. Arguijo:

Reference is made to your request received by the Division on March 14, 2006, to increase the surface injection pressure on three wells within the East Millman Unit Waterflood Project. This request is based on step rate test data and fracture treatment data from the subject wells. The results of this data shows that an increase in the surface injection pressure for these wells 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 located in Township 19 South, Range 28 East, NMPM:

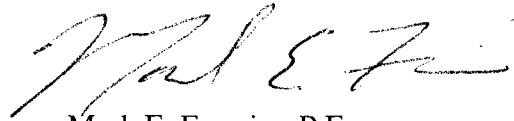
<b><i>WELL NAME &amp; NUMBER</i></b>	<b><i>MAXIMUM SURFACE INJECTION PRESSURE</i></b>
East Millman Unit Well No. 158 API No. 30-015-02289, Unit G, Section 22	892 PSIG
East Millman Unit Well No. 208 API No. 30-015-27467, Unit H, Section 22	799 PSIG
East Millman Unit Well No. 212 API No. 30-015-27469, Unit P, Section 15	912 PSIG

*Injection Pressure Increase*  
*Ameristate Exploration, LLC*  
*March 21, 2006*  
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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,



Mark E. Fesmire, P.E.  
Division Director

cc: Oil Conservation Division - Artesia  
File: WFX-781, WFX-782