

New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Jon Goldstein
Cabinet Secretary

Jim Noel
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



Administrative Order IPI-372
June 2, 2010

XTO Energy, Inc
200 North Loraine, Suite 800
Midland, TX 79701

Attention: Ms. Kristy Ward

RE: Injection Pressure Increase Request

Nash Unit Well No. 29 (API No. 30-015-29434) SWD-1157
Unit J, Sec 13, T23 South, R29 East, NMPM, Eddy County, New Mexico
Bell Canyon member of the Delaware Mountain Group
Through perforations from 3,192 feet to 3,786 feet

Reference is made to your request on behalf of XTO Energy, Inc. (OGRID 5380) to increase the surface injection pressure limit on the above named well.

This well was approved by the Division for injection into the Bell Canyon member of the Delaware Mountain Group through perforations from approximately 3,192 feet to 3,786 feet with SWD-1157 and given a maximum surface injection pressure of 638 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 to handle water disposal needs in this area.

The basis for granting this pressure increase is the step-rate test run by Cardinal Surveys on this well on April 8, 2010. The results of the step rate test showed no parting pressure and XTO stated they will run a tracer survey within 3 months of approval.

You are hereby authorized to utilize up to **929 psi** as the maximum surface injection pressure on this well provided the tubing, size, type, and setting depth does not change. However, you are prohibited from injecting at pressures that would induce fracturing.




In order to verify the external mechanical integrity of the Nash Unit Well No. 29, the applicant shall, within 3 months of the surface pressure injection increase conduct a radioactive tracer survey in accordance with a Division approved method.

This approval is subject to your being in compliance with all other Division rules, including but not limited to Division Rule 5.9.

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 fresh water aquifers are being endangered.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark E. Fesmire", written in a cursive style.

Mark E. Fesmire, P.E.
Acting Division Director

MEF/tw

cc: Oil Conservation Division – Artesia
Bureau of Land Management – Carlsbad
SWD-1157