



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-378
July 2, 2010

Tempo Energy, Inc
PO Box 1034
Midland, TX 79702

Attention: Mr. Jim Pannell

RE: Injection Pressure Increase Request

Exxon Federal SWD Well No. 1 (API No. 30-025-27358) SWD-853
Unit P, Sec 8, T26 South, R32 East, NMPM, Lea County, New Mexico
Delaware formation

Reference is made to your request on behalf of Tempo Energy, Inc. (OGRID 22223) to increase the surface injection pressure limit on the above named well.

This well was approved by the Division for injection into the Delaware formation open hole interval from approximately 4,399 feet to 4,444 feet with SWD-853 and given a maximum surface injection pressure of 880 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 Precision Pressure Data on this well on June 3, 2010. Tempo measured both surface and bottomhole pressures during this test.

You are hereby authorized to utilize up to **1,150 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.

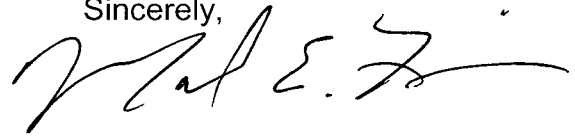


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This approval is subject to your being in compliance with all other Division rules, including but not limited to Division Rule 5.9.

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', with a stylized flourish at the end.

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

MEF/tw

cc: Oil Conservation Division – Hobbs
Bureau of Land Management – Carlsbad
SWD-853