



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop
Cabinet Secretary

IPI-223

February 18, 2004

Lori Wrotenbery

Director

Oil Conservation Division

Xeric Oil and Gas Corporation
1801 W. Texas
PO Box 352
Midland, Texas 79702
Attn: Angie Crawford

Re: *Injection Pressure Increase*
Howse SWD Well No. 1
API: 30-025-36226
SWD-903
Unit L, Sec 17, T20S, R39E, NMPM
Lea County, New Mexico

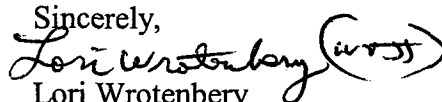
Dear Ms. Crawford:

The New Mexico Oil Conservation Division received your written request on February 11, 2004, to increase the allowable surface injection pressure on this disposal well. This request is based on a step rate test conducted on this well on February 1, 2004. This well is permitted by the Division for water injection under authority of the federal UIC program for protection of drinking water and under the rules and regulations of the State of New Mexico for prevention of water injection out of zone.

On October 30, 2003, Division administrative order SWD-903 permitted this well for injection into the San Andres formation from 4,332 to 4,842 feet through 2-3/8 inch tubing. The currently approved surface injection pressure for this well is 866 psi.

The step rate test surface pressure chart data indicate to the Division a surface parting pressure of approximately 1,375-psi. As a result, you are hereby authorized to increase the **maximum surface injection pressure to 1,325-psi.**

The Division Director may rescind this injection pressure increase if it becomes apparent that the injected water is not being confined to the injection zone.

Sincerely,

Lori Wrotenbery
Director

cc: Oil Conservation Division – Hobbs
 Files: SWD-903; UIC