



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

March 14, 2005

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

Division Order No. IPI-251

Sage Energy Company
P.O. Box 3068
Midland, Texas 79702

Attn: Mr. George M. Harris, Jr.

RE: *Injection Pressure Increase*
North Vacuum Abo North Unit "12A" Well No. 1
North Vacuum Abo North Unit WF Project
Lea County, New Mexico

Dear Mr. Harris:

Reference is made to your request dated January 27, 2005, to increase the surface injection pressure on the North Vacuum Abo North Unit "12A" Well No. 1. This request is based on initial well fracture data and the current fracture gradient within the project. The data provided shows that approval of the request 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 well:

<i>WELL NAME & NUMBER</i>	<i>MAXIMUM SURFACE INJECTION PRESSURE</i>
North Vacuum Abo North Unit "12A" Well No. 1 API No. 30-025-25146 Unit P, Section 36, T-16 South, R-34 East, NMPM, Lea County, New Mexico	3804 PSIG

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.

Injection Pressure Increase
Sage Energy Company
March 14, 2005
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Sincerely,

A handwritten signature in black ink that reads "Mark E. Fesmire, P.E." with a stylized flourish at the end.

Mark E. Fesmire, P.E.
Director

cc: Oil Conservation Division - Hobbs
File: WFX-810