



New Mexico Energy, Minerals and Natural Resources Department

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Division Director
Oil Conservation Division



June 28, 2011

Administrative Order IPI-403
Application No. pTGW1116454259

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

Attention: Derick Lucas

RE: Injection Pressure Increase

Kutz Federal SWD Well No. 1 (API No. 30-045-34317) SWD-1157
Unit F, Sec 6, T27 North, R10 West, NMPM, San Juan County, New Mexico
Through perforated casing from 4,048 feet to 4,104 feet

Dear Mr. Lucas:

Reference is made to your request on behalf of XTO Energy, Inc. (OGRID 5380) received by the Division on June 13, 2011 to increase the surface injection pressure on the above named well.

This well was approved by the Division for injection into the Point Lookout member of the Mesaverde formation through perforations from approximately 4,048 feet to 4,104 feet with SWD-1097 and given a maximum surface injection pressure of 795 psi. On March 4, 2009 IPI- 316 approved a maximum surface pressure increase of 1280 psi.

It is our understanding that this well will not take a sufficient volume of water at the present pressure limit and a higher pressure limit is needed for increased water disposal operation.

Based on a step rate injection test conducted May and June of 2011 you are hereby authorized to increase the surface injection pressure on the following well located in San Juan County, New Mexico:



Well Number	Delaware Perfs.	Surf. Inj. Pressure
Kutz Federal SWD Well No. 1 API No. 30-045-34317, Unit F	4048'- 4104'	1784 PSI

This increase in pressure is authorized provided the tubing size, packer setting depth and perforation depths do not change. You are prohibited from injecting at pressures that would induce fracturing.

The operator is responsible for ensuring injected waters do not migrate upward inside or outside of this casing and enter formations above the permitted injection interval.

This approval is subject to your being in compliance with all other Division rules, including but not limited to Division Rule 19.15.5.9 NMAC.

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.

The injection authority granted herein shall terminate two years after the effective date of this order if the operator has not commenced injection operations into the subject wells, provided however, the Division, upon written request by the operator, may grant an extension thereof for good cause shown.

Sincerely,



Jami Bailey
Director

JB/tw

cc: Oil Conservation Division – Aztec