



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

September 20, 2005

Division Order No. IPI-256

Latigo Petroleum, Inc.
550 W. Texas
Suite 700
Midland, Texas 79701

Attention: Ms. Sabra Woody

**RE: *Injection Pressure Increase
Central Corbin Queen Unit Waterflood Project
Lea County, New Mexico***

Dear Ms. Woody:

Reference is made to your request received by the Division on August 29, 2005, to increase the surface injection pressure on two injection wells within the Central Corbin Queen Unit Waterflood Project. This request is based on step rate tests conducted on these well during July, 2005. The results of the step rate tests show that an increase in the surface injection pressure for these well is justified and will not result in the fracturing of the injection formation and confining strata.

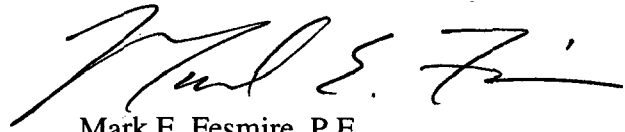
You are therefore authorized to increase the surface injection pressure on the following wells:

<i>WELL NAME & NUMBER</i>	<i>MAXIMUM SURFACE INJECTION PRESSURE</i>
Central Corbin Queen Unit Well No. 202 API No. 30-025-29363 Unit N, Section 4, T-18 South, R-33 East, NMPM, Lea County, New Mexico	979 PSIG
Central Corbin Queen Unit Well No. 207 API No. 30-025-29776 Unit P, Section 4, T-18 South, R-33 East, NMPM, Lea County, New Mexico	902 PSIG

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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.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark E. Fesmire". The signature is fluid and cursive, with the first name "Mark" being the most prominent.

Mark E. Fesmire, P.E.
Division Director

cc: Oil Conservation Division - Hobbs
File: WFX-811