



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

October 24, 2006

Division Order No. IPI-272

Pogo Producing Company
P.O. Box 10340
Midland, Texas 79702-7340

Attention: Mr. Barrett L. Smith

RE: *Injection Pressure Increase*
SDS "11" Federal Well No. 1
Eddy County, New Mexico

Dear Mr. Smith:

Reference is made to your request received by the Division on October 19, 2006, to increase the surface injection pressure on the SDS "11" Federal Well No. 1. This request is based on a step rate test conducted on the well on October 6, 2006. The results of the step rate test show that an increase in the surface injection pressure for this 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 well:

<i>WELL NAME & NUMBER</i>	<i>MAXIMUM SURFACE INJECTION PRESSURE</i>
SDS "11" Federal Well No. 1 API No. 30-015-27627 Unit F, Section 11, T-24 South, R-31 East, NMPM, Eddy County, New Mexico	2,200 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.

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Sincerely,



Mark E. Fesmire, P.E.
Division Director

cc: Oil Conservation Division - Artesia
File: SWD-542