



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

January 17, 2007

Division Order No. IPI-277

Dugan Production Corp.
P.O. Box 420
Farmington, New Mexico 87499-0420

Attention: Mr. John Alexander

**RE: *Injection Pressure Increase
Turks Toast SWD Well No. 4
San Juan County, New Mexico***

Dear Mr. Alexander:

Reference is made to your request received by the Division on January 2, 2007, to increase the surface injection pressure on the Turks Toast SWD Well No. 4. This request is based on a step rate test recently conducted on the well. 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>
Turks Toast SWD Well No. 4 API No. 30-045-27360 Unit L, Section 17, T-30 North, R-14 West, NMPM, San Juan County, New Mexico	1850 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,

A handwritten signature in dark ink, appearing to read "Mark E. Fesmire", is written over a light blue horizontal line.

Mark E. Fesmire, P.E.
Division Director

cc: Oil Conservation Division - Aztec
File: SWD-851