



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

February 2, 2007

Division Order No. IPI-278

Merrion Oil & Gas
610 Reilly Avenue
Farmington, New Mexico 87401

Attention: Ms. Connie S. Dinning

**RE: *Injection Pressure Increase
Pretty Lady 30 11 34 Well No. 1
San Juan County, New Mexico***

Dear Ms. Dinning:

Reference is made to your request received by the Division on January 16, 2007, to increase the surface injection pressure on the Pretty Lady 30 11 34 Well No. 1. 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>
Pretty Lady 30 11 34 Well No. 1 API No. 30-045-30922 Unit J, Section 34, T-30 North, R-11 West, NMPM, San Juan County, New Mexico	1350 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 - Aztec
File: SWD-1034