

New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary
Reese Fullerton
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



Administrative Order IPI-302
June 30, 2008

Coleman Oil & Gas, Inc.
PO Drawer 3337
Farmington, NM 87499

Attention: Michael T. Hanson

RE: Injection Pressure Increase Request
Juniper SWD Well No. 1 (API No. 30-045-29732)
Unit D, Sec 16, Township 24 North, Range 10 West, NMPM, San Juan County
SWD; Mesaverde Pool

Reference is made to your request on behalf of Coleman Oil & Gas, Inc. (OGRID 4838) received June 11, 2008, to increase the surface injection pressure limit on the above named well.

This well was last approved by the Division for injection into perforations from 3036 feet to 3974 feet with Administrative Order SWD-806-B and given a maximum surface injection pressure of 607 psi.

It is our understanding that this well will not take a sufficient volume of water at this pressure limit and a higher pressure limit is needed to handle water disposal needs in this area.

The basis for granting this pressure increases the injection step rate test run on this well in May of 2008. 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 hereby authorized to utilize up to the following maximum surface injection pressure on this well provided the tubing, size, type, and setting depth does not change.

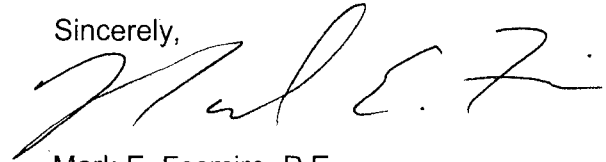
Max Surface Pressure
1350 psi

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 Division Rule 40. 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 fresh water aquifers are being endangered.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark E. Fesmire', written in a cursive style.

Mark E. Fesmire, P.E.
Director

MEF/wvjj

cc: Oil Conservation Division – Aztec
SWD-806-B