

# 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-306  
October 20, 2008

Devon Energy Corporation  
20 North Broadway  
Oklahoma City, OK 73102-8260

Attention: Ronnie Slack

**RE: Injection Pressure Increase Request**

Spud 16 State Well No. 4 (API No. 30-015-33923) SWD-1070, Unit O  
Located 960 feet from the South line and 1800 feet from the East line,  
Section 16, Township 23 South, Range 29 East, NMPM, Eddy County, New Mexico  
SWD; Bell Canyon member of the Delaware Mountain Pool  
Through perforations from 3760 feet to 4890 feet

Reference is made to your application (***administrative application reference No. pKVR0823445421***) received August 21, 2008, to increase the surface injection pressure limit on the above named disposal well.

Administrative Order No SWD-1070 approved on February 16, 2007, permitted the Spud 16 State Well No. 4 for injection into the Bell Canyon member of the Delaware Mountain Group at 3760 feet to 4890 feet and allowed a maximum surface injection pressure of 752 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 enable increased water disposal from SDX Resources' operations.

The basis for granting this pressure increase is the step rate test run by Precision Pressure on this well in August of 2008. Precision measured both surface and bottomhole pressures during this test.

You are hereby authorized to utilize up to **1078 psi** as the maximum surface injection pressure on this well provided the tubing, size, type, and setting depth does not change.

This approval is subject to your being in compliance with all other Division rules, including but not limited to Division Rule 40.

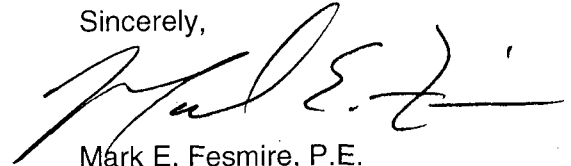
The Division Director may rescind this injection pressure increase if it becomes apparent that the injected fluid is not being confined to the injection zone or is endangering any fresh water aquifers.



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The injection authority granted herein shall terminate one year after the effective date of this order if the operator has not commenced injection operations into the subject well, provided however, the Division, upon written request by the operator, may grant an extension thereof for good cause shown.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark E. Fesmire', with a stylized flourish at the end.

Mark E. Fesmire, P.E.  
Director

MEF/tw

cc: Oil Conservation Division – Artesia  
State Land Office-Oil, Gas, and Minerals Division  
SWD-1070