



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Jim Noel
Cabinet Secretary

Karen W. Garcia
Deputy Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



Administrative Order IPI-387
December 21, 2010

WGR Asset Holding Company LLC
#99 County RD 6500, PO Box 70
Kirtland, NM 87417

Attention: Dr. David Lescinsky

RE: Injection Pressure Increase Request

Pathfinder AGI Well No. 1(API No. 30-045-35172)

Case No. 14329, R-13201

Unit F, Sec 1, T29 North, R15 West, NMPM, San Juan County, New Mexico

Entrada formation at a depth of 6,500 feet to 6,700 feet

Reference is made to your request on behalf of Anadarko Petroleum Corporation (OGRID 817) as the parent corporation to the wholly owned subsidiary Western Gas Resources Asset Holding Company, LLC. (OGRID 273264) to increase the surface injection pressure limit on the above named well.

This well was approved by the Division for injection of acid gas into the Entrada formation at the San Juan River Plant at a depth of 6,500 feet to 6,700 feet with Hearing Order R-13201 and given a maximum surface injection pressure of 1,985 psi. This pressure is well below the parting pressure of the Entrada formation.

The basis for granting a pressure increase is the step-rate test run on this well in November 16, 2010. 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 **2160 psi** as the maximum surface injection pressure on this well provided the tubing, size, type, and setting depth does not change. However, you are prohibited from injecting at pressures that would induce fracturing.



After installation of the injection tubing and prior to commencing injection operations, and at least once every two years thereafter, the operator shall pressure test the casing from the surface to the packer-setting depth to assure casing integrity. Further, the operator shall monitor pressure on the backside using continuous chart recorder or digital equivalent to immediately detect any leakage in the casing.

This approval is subject to your being in compliance with all other Division rules, including but not limited to Division Rule 19.15.5.9.

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 "Dan Sanchez", with a long horizontal line extending to the right from the end of the signature.

Daniel Sanchez
Acting Division Director

MEF/tw

cc: Oil Conservation Division – Aztec