



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

Division Order No. IPI-242

September 30, 2004

ChevronTexaco
15 Smith Road
Midland, Texas 79705

Attn: Mr. Mario Ballesteros

**RE: *Injection Pressure Increase,
Vacuum Grayburg-San Andres Unit Waterflood Project,
Lea County, New Mexico***

Dear Mr. Ballesteros:

Reference is made to your request dated September 23, 2004 to increase the surface injection pressure on the Vacuum Grayburg-San Andres Unit Well No. 14. This request is based on a step rate test conducted on the well on September 20, 2004. The results of the 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.

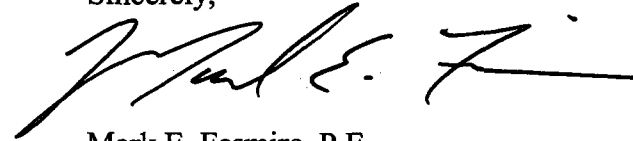
You are therefore authorized to increase the surface injection pressure on the following well:

| <i>Well and Location</i> | <i>Maximum Surface Injection Pressure</i> |
|--|---|
| Vacuum Grayburg-San Andres Unit Well No. 14 (API No. 30-025-24359) Unit K, Section 2, Township 18 South, Range 34 East | 1786 PSIG |

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

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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/drc

cc: Oil Conservation Division - Hobbs
File: Case No. 12592