

April 12, 2006

Division Director of the Environmental Bureau
Att'n: David Catanach
Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

COPY

RE: Key Energy Services, Inc.
BKE #1 Saltwater Disposal – SWD-495
Section 13, T22S, R27E, UL H
Eddy County, NM

30-015-23493 RECEIVED
APR 13 2006
OCD-ARTESIA

Request to Increase Maximum Permitted Surface Injection Pressure

Dear Sir:

As an Agent for Key Energy Services, Inc. I am submitting this request for an increase in the maximum permitted surface injection pressure from the current 1110 psig to 1400 psig. The basis for this increase is a recent step-rate test. The testing was performed by Cardinal Surveys using downhole and surface pressure recorders and surface flow meters. The pressure bomb was placed at 4100' (perf 4014-4220'). Key Energy Services pump trucks were used to inject the fluids. The fluid rate metering was done on the Cardinal Survey metering trailer linked electronically to their recording van.

The interpretation of the collected data is fairly straight forward since it is quite easy to draw two straight lines through the data points both before and after the breakdown pressure was attained. A total of 15 successively increasing rates, stabilized for 30-minute intervals, were pumped. Some erratic behavior at 2600 and 3100 bpd were attributed to pump truck problems. A new truck was brought in to finish the testing. Once injection recommenced the bottomhole pressure was brought back up to the level prior to shut down before beginning the next step rate of 3600 bpd.

Our interpretation shows the bottomhole pressure at the breakdown point as 2944 psia. The corresponding surface injection pressure is 1397 psia. The official report from Cardinal Surveys is attached to this request. We have not included the raw data file for your review although we would be happy to send it to you upon request. If you have any technical questions in this regard please contact me at 432-686-9790. All correspondence can be directed to:

Key Energy Services, Inc.
Att'n: W.A. Baker
6 Desta Drive, Ste 4400
Midland, Texas 79705

Accepted for record - NMOCD

Sincerely,


Terry M. Duffey

cc: Mark Perry – Key Trucking manager – Carlsbad, NM

Attachments