

NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON Governor Jennifer A. Salisbury Cabinet Secretary

July 18, 2001

Lori Wrotenbery Director Oil Conservation Division

Sage Energy Company P.O. Drawer 3068 Midland, Texas 79702-3068

Attn: Mr. George M. Harris, Jr.

RE: Injection Pressure Increase North Vacuum (Abo) North Unit Waterflood Project Lea County, New Mexico

Dear Mr. Harris:

Reference is made to your request dated June 5, 2001 to increase the surface injection pressure on three wells within the North Vacuum (Abo) North Unit Waterflood Project. This request is based on step rate tests conducted on these wells on June 6, 2001. The results of the tests have been reviewed by my staff and we feel an increase in injection pressure for these wells is justified at this time.

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

Well and Location	Maximum Surface Injection Pressure
North Vacuum (Abo) North Unit "5B" Well No. 1 API No. 30-025-24341 Unit Letter P, Section 1, Township 17 South, Range 34 East	4115 PSIG
North Vacuum (Abo) North Unit "10" Well No. 1 API No. 30-025-25059 Unit Letter D, Section 1, Township 17 South, Range 34 East	4410 PSIG
North Vacuum (Abo) North Unit "13" Well No. 1 API No. 30-025-25066 Unit Letter B, Section 2, Township 17 South, Range 34 East	4270 PSIG

Injection Pressure Increase Sage Energy Company June 18, 2001 Page 2

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

Sincerely,

Loui Westerberry by De

Lori Wrotenbery Director

LW/DRC

.

cc: Oil Conservation Division - Hobbs Files: 4th Qtr 2001 IPI; Case File No.10103