

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**APPLICATION FOR INJECTION PRESSURE INCREASE
SUBMITTED BY FORTY ACRES ENERGY, LLC**

ORDER NO. IPI-523-B

ORDER

The Director of the New Mexico Oil Conservation Division (“OCD”), having considered the application and the recommendation of the Engineering Bureau, issues the following Order.

FINDINGS OF FACT

1. Forty Acres Energy, LLC (“Applicant”) submitted a complete application to increase the maximum surface injection pressure (“MSIP”) for the class II injection well identified in Exhibit A (“the Well”).
2. Applicant sought and received approval from the OCD for a step rate test designed to either determine the Well’s formation parting pressure or demonstrate that the Well’s formation parting pressure exceeds a specific threshold.
3. Applicant conducted a step rate test which sufficiently demonstrates that the MSIP for the Well may be increased without causing the Well’s permitted injection interval or confining strata to fracture or part.
4. Applicant provided the OCD with adequate notice of the step rate test’s occurrence.
5. Applicant either conducted the step rate test using fluid representative of the Well’s injection fluid or provided the OCD with any weight and rheology differences between the test and injection fluids.
6. Applicant has proposed a new MSIP for the Well which shall not cause the Well’s permitted injection interval or confining strata to fracture or part.
7. IPI-523-A was issued November 9, 2020, with an approved injection interval from 3,800 feet to 3,910 feet in accordance with the application submitted by Applicant on or around that date. It has since become apparent that the correct injection interval is 3,800 feet to 4,089 feet. On November 15, 2023, Applicant submitted an amended application which describes the correct injection interval.

CONCLUSIONS OF LAW

8. OCD has jurisdiction to issue this Order pursuant to the Oil and Gas Act, NMSA 1978, §§ 70-2-6, 70-2-11, 70-2-12, and 19.15.26 NMAC.

9. The new MSIP as modified herein shall not cause the Well's permitted injection interval or confining strata to fracture or part providing the tubing size, packer setting depth, completion interval, and injection fluid does not change.
10. The requirements to grant an increase to injection pressure within the Order granting injection authority to the class II injection well identified in Exhibit A have been met if applicable.
11. By granting the application with the conditions specified below, this Order prevents waste and protects correlative rights, public health, and the environment.

ORDER

1. Applicant is authorized to inject into the class II injection well identified in Exhibit A at a surface injection pressure not exceeding one thousand eight hundred twelve (1,812) pounds per square inch.
2. This Order supersedes Order IPI-523-A.
3. Applicant shall not inject fluid into the Well with a specific gravity exceeding that identified in Exhibit A.
4. Applicant shall not install tubing into the Well with an outer dimension greater than that identified in Exhibit A.
5. If an event occurs that may allow the Well's bottom hole pressure to exceed fifty (50) pounds per square inch less than the fracture or parting pressure of the injection interval or confining strata at the MSIP allowed by this Order, then no later than ten (10) days after such an occurrence, Applicant shall submit Form C-103 to the OCD Engineering Bureau detailing the event and a new calculated MSIP which shall not allow the Well's bottom hole pressure to exceed fifty (50) pounds per square inch less than the fracture or parting pressure of the permitted injection interval or confining strata. No later than sixty (60) days after the occurrence, Applicant shall submit an application to amend this order to reflect the new calculated MSIP which may require a new step rate test at OCD's discretion. If Applicant fails to submit the application, this Order shall terminate on the following day, and if OCD denies the application, this Order shall terminate on the date of such action.
6. If a new injection interval not included in Exhibit A is added to the Well, then this Order shall terminate on the date of such action.
7. OCD retains the right to require, at any time, wireline verification of completion and packer setting depths in the Well.
8. OCD retains jurisdiction and reserves the right to modify or revoke this Order as it deems necessary to prevent waste or protect correlative rights, public health, or the environment.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**



**DYLAN M. FUGE
DIRECTOR**

DATE: 11/21/23

State of New Mexico
Energy, Minerals and Natural Resources Department

Exhibit A

Order: IPI-523-B
Operator: Forty Acres Energy, LLC
Operator OGRID: 371416
Well Name: West Eumont Unit #211
Well API: 30-025-44207
Pool Name: EUMONT; YATES-7 RVRS-QUEEN (OIL)
Pool ID: 22800
Well Location: B-02-21S-35E
Order Granting Injection Authority: R-14616
Existing MSIP (psi): 1812
Step Rate Test Date: 8/17/2020
New MSIP (psi): 1812
Maximum Tubing OD (in): 2.375
Injection Fluid: Brine
Maximum Injection Fluid Specific Gravity: 1.07
Injection Interval (ft): 3800 to 4089
Pressure Gradient (psi/ft): 0.48

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720
District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 288001

CONDITIONS

Operator: FORTY ACRES ENERGY, LLC 11757 KATY FWY HOUSTON, TX 77079173	OGRID: 371416
	Action Number: 288001
	Action Type: [IM-SD] Admin Order Support Doc (ENG) (IM-AAO)

CONDITIONS

Created By	Condition	Condition Date
dmcclure	Please review the content of the order to ensure you are familiar with the authorities granted and any conditions of approval. If you have any questions regarding this matter, please contact me.	11/22/2023