

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan-Grisham
Governor

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Cabinet Secretary

Ben Shelton
Deputy Secretary

Albert C.S. Chang
Division Director
Oil Conservation Division



Administrative Order WFX-1064

ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION

Under the provisions of Division Order No. R-10599, as amended, and in consideration of Division Rule 19.15.26.8(F)(3), Morningstar Operating, LLC (OGRID No. 330132; “Operator”) has made application to the Oil Conservation Division (“OCD”) for permission to convert the Vacuum Glorieta West Unit No. 91 (API 30-025-31873) to injection of produced water and carbon dioxide to support to Vacuum-Grayburg San Andres pressure maintenance project.

THE DIVISION DIRECTOR FINDS THAT:

The application has been duly filed under the provisions of 19.15.26.8(B) NMAC and satisfactory information has been provided that affected parties as defined in said rule have been notified and no objections remain outstanding. The proposed well will be converted for injection, as detailed in the C-108 Application. The applicant has presented satisfactory evidence that all requirements prescribed in Rule 19.15.26.8 NMAC have been met and the operator is in compliance with Rule 19.15.5.9 NMAC.

The proposed expansion of the above-referenced secondary recovery project, will prevent waste, is in the best interests of conservation, will not impair correlative rights, and should be approved.

IT IS THEREFORE ORDERED THAT:

Morningstar Operating, LLC, as operator, is hereby authorized to inject water, carbon dioxide for the purpose of secondary recovery through internally plastic-lined, 2.875 inch diameter tubing set into a packer. The perforated injection interval is from 4611 feet to 4794 feet.

The operator shall set the injection packer no more than 100 feet above the shallowest perforation or the open hole for the permitted injection intervals for these wells. The operator shall be required to submit a written request for an exception if the distance between the packer and the uppermost perforation exceeds 100 feet.

The operator shall take all steps necessary to ensure that the injected fluid enters only the approved injection interval and is not permitted to escape to other formations or onto the surface.

After installing tubing, the casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge or an approved leak detection device in order to determine leakage in the casing, tubing, or packer.

Any existing well (active or plugged) approved for injection under this order, and as provided for in Order No. R-10599, shall complete the following requirements prior to the installation of the tubing and packer set:

- a. Conduct a successful pressure test of the production casing following procedure provided in 19.15.16.10(I) NMAC; and
- b. Obtain a new cement bond log (CBL) from surface to the top of the top perforation (or top of open hole) of the approved injection interval. A copy of the CBL shall be submitted electronically to the OCD Engineering Bureau email attached to a Form C-103 in pdf format and also submitted in TIFF format using OCD form UF-WL.

If either the pressure test fails or the CBL demonstrates inadequate cement to protect shallow Underground Sources of Drinking Water, the operator shall be required to conduct corrective action on the well until the integrity issue is addressed and approved by the OCD.

The wells shall pass an initial mechanical integrity test ("MIT") prior to initially commencing injection and prior to resuming injection each time any injection packer is unseated. All MIT testing procedures and schedules shall follow the requirements in Rule 19.15.26.11(A) NMAC. The OCD Director retains the right to require at any time wireline verification of completion and packer setting depths in this well.

The maximum allowable injection pressure shall be limited to 1850 psi for water and carbon dioxide injection. If a higher pressure for carbon dioxide injection is desired, it shall be approved administratively by analytical demonstration of fluid properties and density calculations at the prevailing reservoir and wellhead conditions using a C-103X General Sundry with supporting attachments. In addition, the injection wells or header system shall be equipped with a pressure limiting device in workable condition which shall, at all times, limit surface tubing pressures to the maximum allowable pressure.

Subject to the limitations within the hearing orders permitting this project, the OCD Director may authorize an increase in tubing pressure upon a proper showing by the operator that such higher pressure will not result in migration of the injected fluids from the approved injection interval. Such proper showing shall be demonstrated by sufficient evidence including but not limited to an acceptable Step-Rate Test.

The operator shall notify the appropriate Inspections Supervisor of the date and time of the installation of injection equipment and of any MIT test so that the same may be inspected and witnessed. The operator shall provide written notice of the date of commencement of injection on OCD Form C-103, submitted electronically through OCD E-Permitting and notice provided to the OCD Engineering email. The operator shall submit monthly reports of the injection operations on OCD Form C-115, in accordance with Rules 19.15.26.13 and 19.15.7.24 NMAC.

Without limitation on the duties of the operator as provided in Rules 19.15.29 and 19.15.30 NMAC, or otherwise, the operator shall immediately notify the appropriate Inspections Supervisor

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Morningstar Operating, LLC
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and OCD Engineering Bureau, by email, of any failure of the tubing, casing, or packer in the approved injection well, or of any leakage or release of water, oil or gas from around any produced or plugged and abandoned well in the area, and shall take such measures as may be timely and necessary to correct such failure or leakage.

The injection authority granted under this order is not transferable except upon OCD approval. The OCD may require the operator to demonstrate mechanical integrity of any injection well that will be transferred prior to approving transfer of authority to inject.

The OCD may revoke this injection permit after notice and hearing if the operator is in violation of Rule 19.15.5.9 NMAC.

PROVIDED FURTHER THAT, jurisdiction is retained by the OCD for the entry of such further orders as may be necessary for the prevention of waste and/or protection of correlative rights or upon failure of the operator to conduct operations (1) to protect fresh or protectable waters or (2) consistent with the requirements in this order, whereupon the OCD may, with or without notice and hearing, terminate the disposal authority granted herein. The wells shall be governed by all provisions of OCD Order No. R-10599 and associated administrative orders.

The injection authority granted herein shall terminate one (1) year after the effective date of this order if the operator has not commenced injection operations into the well, provided however, the OCD, upon written request by the operator received prior to the one-year deadline, may grant an extension thereof for good cause shown. Additionally, the injection authority granted in this order is subject to Rule 19.15.26.12 NMAC with regards to commencement, discontinuance, and abandonment of operations.

Compliance with this order does not relieve the operator of the obligation to comply with other applicable federal, state or local laws or rules, or to exercise due care for the protection of fresh water, public health and safety and the environment.



ALBERT C.S. CHANG
Division Director

Date: 06/26/2026

AC/th

cc: Well File for 30-025-31873

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State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
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CONDITIONS

Action 600893

CONDITIONS

Operator: MorningStar Operating LLC 400 W 7th St Fort Worth, TX 76102	OGRID: 330132
	Action Number: 600893
	Action Type: [IM-SD] Admin Order Support Doc (ENG) (IM-AAO)

CONDITIONS

Created By	Condition	Condition Date
anthony.harris	None	6/30/2026