

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary-Designate

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey, Division Director
Oil Conservation Division



Administrative Order IPI-439
September 6, 2013

Mr. Joe B. Bryand
Mewbourne Oil Company
P.O. Box 5270
Hobbs, NM 88240

RE: Injection Pressure Increase
Disposal Permit: SWD-1347
Pool: SWD; Delaware Pool
San Lorenzo SWD Well No. 1 API 30-015-23067
Unit L, Sec 15, T25S, R28E, NMPM, Eddy County, New Mexico

Dear Mr. Bryand:

Reference is made to your request on behalf of Mewbourne Oil Company (OGRID 14744) received by the Division on August 12, 2013, to increase the maximum allowed surface tubing pressure on the above named well.

This well was permitted by the Division for water disposal from 2586 to 5721 feet in the Delaware Mountain Group by Division administrative Order SWD-1347 approved August 9, 2012. That permit allowed a maximum disposal tubing pressure of 517 psi and required an injection survey within one year of commencing disposal. The Division issued administrative Order IPI-430 (approved February 8, 2013) for this well with a maximum surface tubing pressure of 800 psi.

It is our understanding that this well will not take a sufficient volume of fluid at the current pressure limit and a higher pressure limit is needed. It is also understood that an increase will not result in the fracturing of the formation and confining strata.

Based on a step-rate test for this well conducted August 1, 2013, through 3.5-inch tubing into the perforated interval of 5078 to 5721 feet, you are hereby authorized to inject at the following maximum surface tubing pressure:

San Lorenzo SWD Well No. 1 API 30-015-23067 1275 psi

This approval is based on the provision that the tubing size, packer setting depth and completion interval for this well does not change. If the completion is changed through installation of

additional perforations shallower than 5000 feet, the operator will be required to reapply with additional data including a step-rate test that includes the new perforated interval. Additionally, the operator is required to conduct the injection survey as stipulated in administrative Order SWD-1347 by January 31, 2014. The Division Director retains the right to require at any time wireline verification of completion and packer setting depths in this well. This approval is subject to your being in compliance with all other Division rules, including but not limited to Division Rule 19.15.5.9 NMAC. Division administrative Order IPI-430 is cancelled with the approval of this Order.

The Division Director may rescind this permitted injection pressure increase if it becomes apparent that the injected fluid is not being confined to the permitted disposal interval or is endangering any fresh water aquifer.

Sincerely,



JAMI BAILEY
Director

JB/prg

cc: Oil Conservation Division – Artesia
File: SWD-1347