

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

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

Jami Bailey, Division Director
Oil Conservation Division



Administrative Order IPI-463
February 11, 2014

Mr. Brad Burks
Trek Operating, LLC
10159 E. 11th Street, #401
Tulsa, OK 74128-3028

RE: Injection Pressure Increase

Injection Permit: Administrative Order SWD-1339

Pool: SWD; Bell Canyon-Cherry Canyon (Pool code: 96802)

Pearl Well No. 1

API 30-015-40496

Unit O, Sec 34, T23S, R28E, NMPM, Eddy County, New Mexico

Dear Mr. Burks:

Reference is made to your request on behalf of Trek Operating, LLC (OGRID 255281) received by the Division on January 2, 2014, to increase the maximum allowed surface tubing pressure on the above named well.

This well was permitted by the Division for disposal of oil field produced water (UIC Class II only) in the Delaware Mountain group by Administrative Order SWD-1339 dated June 16, 2012. The Administrative Order approved the injection into the lower Bell Canyon and Cherry Canyon formations through open hole from approximately 3350 feet to 4900 feet. The Division order allowed a maximum surface injection pressure of 670 pounds per square inch gauge (psig).

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 December 11, 2013, through 3 ½-inch tubing, you are hereby authorized to inject at the following maximum surface tubing pressure:

Pearl Well No. 1

API 30-015-40496

1150 psig

This approval is based on the provision that the tubing size, packer setting depth and completion interval for this well does not change. Any future requested pressure increase will require resubmission of additional data and a new step-rate test. 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.

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,

A handwritten signature in cursive script, appearing to read "Jami Bailey", is written over a horizontal line.

JAMI BAILEY
Director

JB/prg

cc: Oil Conservation Division – Artesia
SWD-1339