

State of New Mexico
Energy, Minerals and Natural Resources Department

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Oil Conservation Division



March 10, 2021

Garret Johnson
Forty Acres Energy, LLC
E-mail: garret@faenergyus.com

RE: Injection Pressure Increase; Order IPI-534

Injection Authority: Division Order No. R-14616 and Administrative Order WFX-1036
West Eumont Unit No. 524
Eumont; Yates-7 RVRs-Queen (oil) (pool code: 22800)
UIC Class II EOR Well; West Eumont Secondary Recovery Project

Dear Mr. Johnson:

Reference is made to your request on behalf of Forty Acres Energy, LLC (OGRID 371416; the “operator”) for the application received on November 13, 2020, to increase the maximum surface injection pressure (“MSIP”) on the following well:

Well No.	API Number	UL-S-T-R	Injection Authority	Existing MSIP Limit (psi)	Existing Tubing OD (in)
West Eumont Unit No. 524	30-025-45481	F-35-20S-36E	WFX-1036	760	2.375

It is the Oil Conservation Division’s (“OCD”) understanding that the requested pressure increase is needed to increase the rate of injection and this pressure increase will not result in:

1. the fracturing of the permitted injection interval; or
2. the fracturing of either the upper or lower confining strata.

Based on the results of the submitted step-rate test ("SRT"), the following shall be the new pressure limit while equipped with **injection** tubing:

Well No.	Step Rate Test Date	Initial New MSIP Limit (psi)	While Injecting	Injection Interval (ft)	Pressure Gradient (psi/ft)
West Eumont Unit No. 524	6/26/2020	1813	Water	3713 - 3825	0.49

This approval is based on the provision that the tubing size, packer setting depth and completion interval for the well does not change. Any future requested pressure increase will require resubmission of additional data and/or a new SRT. The Director retains the right to require, at any time, wireline verification of completion and packer setting depths in the well. This approval is subject to your being in compliance with all other OCD rules including, but not limited to, Rule 19.15.5.9 NMAC.

After the first eighteen (18) months but prior to twenty-four (24) months after the issuance of this Order, the operator shall conduct a SRT, the procedures of which have been approved by OCD, upon one of the following wells: West Eumont Unit No. 527 (30-025-45459), West Eumont Unit No. 522 (30-025-45479), West Eumont Unit No. 523 (30-025-45480), West Eumont Unit No. 524 (30-025-45481), or West Eumont Unit No. 526 (30-025-45483). No later than sixty (60) days after the SRT has been conducted, the operator shall submit Form C-103 to the OCD Engineering Bureau with the results of the SRT and any other relevant information. OCD shall review the Form C-103 to confirm that the MSIP authorized by this Order is not causing waste to occur or the permitted injection interval or confining strata to fracture or part. OCD retains the authority to require further testing or to amend the MSIP should there be a finding indicating waste, fracturing, or parting.

The Director may rescind any injection pressure increase permit if it becomes apparent that the injected fluid is not being confined to the permitted injection interval, impacts correlative rights, is endangering any freshwater aquifer or endangers public health and safety.

Sincerely,



ADRIENNE SANDOVAL
Director

AS/dm

cc: Oil Conservation Division – Hobbs District Office
Order WFX-1036
Well file 30-025-45481