

State of New Mexico
Energy, Minerals and Natural Resources Department

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Administrative Order PMX-296
September 30, 2021

ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION

Under the provisions of OCD Order R-6199, as amended, Occidental Permian LTD (OGRID No. 157984) has made application to the OCD for permission to convert one formerly producing oil well to an injection well in its North Hobbs Grayburg-San Andres Unit Phase I Tertiary Recovery Project located within the Hobbs; Grayburg-San Andres Pool (31920) in Lea County, New Mexico. The well, the WD Grimes NCT A #018 (API: 30-025-22915) is being proposed for injection of produced water, CO₂ and produced gas within the project. **Applicant has proposed a name change as used in the C-108 application, but the name change has not been approved at the date of issuance.**

THE DIVISION DIRECTOR FINDS THAT:

The application has been duly filed under the provisions of 19.15.26.8(B) NMAC and may be approved administratively by the OCD Director without notice and hearing, per Ordering Paragraph (1) of Commission Order No. R-6199-F, dated May 22, 2014. The proposed well was eligible for conversion to injection under the terms of that rule and Ordering paragraph (1). The applicant has presented satisfactory evidence that all requirements prescribed in 19.15.26.8 NMAC have been met and the operator is in compliance with 19.15.5.9 NMAC.

This administrative application in the North Hobbs G/SA Unit may be approved administratively by the OCD Director without notice and hearing, under the provision of Order No. R-6199-F.

The applicant has provided documentation of well type, API Number, casing program, and total depth (TD) of existing wells within the one-half mile area of review (AOR) that were drilled prior to issuing of Order No. R- 6199-F. The operator provided additional information for the AOR of each well identifying any changes to the existing wells and any new penetrating wells completed since the order was approved.

The proposed expansion of the above-referenced pressure maintenance 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:

Occidental Permian LTD, as operator, is hereby authorized to inject water, CO₂, and produced gas into the following well for the purpose of tertiary recovery through plastic-lined tubing set into a packer:

API	Well Name	Unit	Section	Township	Range	Footages N/S (ft)	Footages E/W (ft)	Injection Interval	Type
30-025- 22915	WD Grimes NCT A #018	F	32	18S	38E	1650 FNL	2080 FWL	4000- 4500 ft	Perfs

The approved injection interval for the well is into the Grayburg and San Andres formations from an approximate perforated true vertical depth of 4000 feet to a maximum perforated true vertical depth of 4500 feet. The approved maximum surface tubing injection pressure shall be 1100 pounds per square inch – gauge (psig) for water injection, 1250 psig for CO₂ only, and 1770 psig for gas injection, as approved in Ordering Paragraph (7) of Order No. R-6199-F dated May 22, 2014.

The operator shall set the injection packer as close as practical to the uppermost injection perforation or casing shoe (of any open hole completion), so long as the packer set point remains below the top of the Grayburg formation, as approved in Ordering Paragraph (11) of Order No. R-6199-F.

As required under ordering Paragraph (15) of R-6199-F, the WD Grimes NCT A#18 well is required to undergo pressure testing of the existing casing from surface to packer depth.

Required corrective action: The operator shall complete the plugging of the North Hobbs G/SA Unit #221 well (API- 30-025-07520) located within the area of review prior to commencing injection into this well. Failure to successfully P & A the North Hobbs G/SA Unit #221 well will result in loss of injection authority of the WD Grimes NCT A #018 well ipso facto.

IT IS FURTHER ORDERED THAT:

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. The casing shall be pressure tested from the surface to the packer setting depth to assure casing integrity.

The well 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 Ordering Paragraph (16) and Ordering Paragraph (17) of Order No. R-6199-F. The OCD Director retains the right to require at any time wireline verification of completion and packer setting depths in this well.

Prior to placing the subject well on injection, a cement bond log or equivalent (CBL) shall be run on said well and submitted through OCD E-Permitting and notice provided to the OCD Engineering email, as stipulated in Ordering Paragraph (14) of Order No. R-6199-F.

The wellhead injection pressure on the well shall be limited as listed above. In addition, the injection well 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 pressures approved for the specific injection fluid for this well.

Subject to the limitations within the hearing order permitting this project, the Director of the OCD 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 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.

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.

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, after notice and hearing, terminate the disposal authority granted herein. The subject well shall be governed by all provisions of Order No. R-6199, as amended, and associated administrative orders.



Adrienne Sandoval
OCD Division Director

cc: Bureau of Land Management – Carlsbad Field Office
Well File - 30-025-22915
Well File - 30-025-07520