State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez Governor

David Martin Cabinet Secretary

Tony Delfin Deputy Cabinet Secretary David R. Catanach, Division Director Oil Conservation Division



Administrative Order IPI-258-A August 9, 2016 Administrative Application Reference No. pMAM1621642463

Ms. Toya Colvin BP America Production Company 737 North Eldridge Parkway, 12.181A Houston, TX 77079

RE: <u>Injection Pressure Increase</u>

Pritchard SWD Well No. 1 SWD; Morrison Bluff Entrada

Dear Ms. Colvin:

Reference is made to your request on behalf of BP America Production Company (OGRID 778) received on July 15, 2016, to increase the maximum allowed surface tubing pressure on the following well:

Well No.	API Number	ULSTR	Permitting Order and Last Order Specifying Pressure Limit	Existing Pressure Limit, Psi	Existing Tubing OD, In.
#1	30-045-28351	3-34-31N-9W	IPI-258	1843	3-1/2

It is our understanding that the requested pressure increase is needed in order to increase the rate of disposal and this pressure increase will not result in the fracturing of the formation and confining strata.

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

Well No.	Step Rate Test Date	New Pressure Limit	While Injecting	Injection Interval, Feet	Pressure Gradient (in psi/ft)
#1	7/6/16	1900	water	8382 to 8600	0.23

This approval is based on the provision that the tubing size, packer setting depth and completion interval for the well(s) does not change. Any future requested pressure increase will require resubmission of additional data and/or 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 the well(s). 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.

This Division Order supersedes Administrative Order IPI-258, issued on October 11, 2005.

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The Division Director may rescind any injection permit 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,

DAVID R. CATANACH

Director

DRC/mam

cc: Oil Conservation Division – Aztec District Office

Bureau of Land Management - Farmington Field Office

Well File 30-045-28351

SWD-405