

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Tony Delfin
Acting Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



August 29, 2016

Mr. Stan Wagner, Regulatory Specialist
EOG Resources, Inc.
P. O. Box 2267
Midland, TX 79702

RE: Packer Setting Depth Exception

Injection Authority: Amended Administrative Order SWD-549 (dated October 18, 1995)
Permitted Interval: Bell Canyon formation; 5424 feet to 6400 feet
Vaca Ridge 30 Federal No. 1 (API 30-025-28873)
Unit K, Sec 30, T24S, R34E, NMPM, Lea County, New Mexico

Mr. Wagner:

Reference is made to your request on behalf of EOG Resources, Inc. (OGRID 7377; "EOG") received by the Division on August 24, 2016, for the above named well. EOG applied for exception for setting the packer within 100 feet of the top perforation in the injection interval.

It is our understanding that EOG has maintained a previous packer setting depth of 5282 feet below surface or approximately 142 feet above the uppermost perforation of the injection well. Following the replacement of tubing for the injection well, EOG stated that the packer was set at 5306 feet below surface to obtain a proper seal for the tubing packer. As a result, EOG requests an exception for the current packer depth at 5306 feet below surface. This location of the packer is approximately 118 feet above the shallowest perforation at 5424 feet and is below the base of the salt interval of 5030 feet.

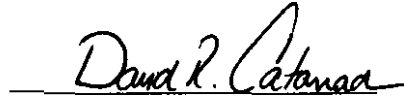
For the reasons stated in the application and because it appears that correlative rights are protected, waste will not occur and this modification will not endanger any fresh water aquifer or the environment, the exception is granted. The packer location within this well shall not be set higher than 118 feet above the current top perforation depth unless the operator receives written approval from the Division Director. The Division also stipulates that future repositioning of the packer will be restricted to depths below 5225 feet due to the current location of the top of cement for the 9 $\frac{5}{8}$ -inch casing.

The Division acknowledges the increase of the tubing size diameter currently used in this well. Amended Order SWD-549 approved a tubing diameter size of 2 $\frac{7}{8}$ -inch. The Division considers the

increase in tubing diameter a minor modification and stipulates that any tubing diameter be no greater than 4½-inch for use in the well while Amended Order SWD-549 is in effect.

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

Sincerely,

A handwritten signature in black ink, reading "David R. Catanach", written over a horizontal line.

DAVID R. CATANACH
Director

DRC/prg

cc: Oil Conservation Division – Hobbs District Office
Bureau of Land Management – Carlsbad Field Office
Administrative Order SWD-549
Well File API 30-025-28872