

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary-Designate

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

Jami Bailey, Division Director
Oil Conservation Division



October 2, 2013

Mr. Billy Prichard
Mar Oil and Gas Corporation
P. O. Box 5155
Santa Fe, NM 87502

RE: Packer Setting Depth Exception

Injection Authority: Order No. R-3115; Eumont Hardy Waterflood Unit
Pool: Eumont; Yates-Seven Rivers-Queen
Eumont Hardy Unit Well No. 37 API 30-025-09902
Unit F, Sec 5, T21S, R37E, NMPM, Lea County, New Mexico

Mr. Prichard:

Reference is made to your request on behalf of Mar Oil and Gas Corporation (OGRID 151228; the "operator") received by the Division on September 19, 2013, for the above named well. The operator applied for exception for setting the packer within 100 feet of the top of the approved injection interval.

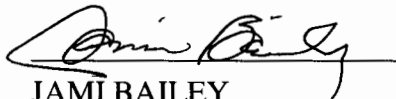
It is our understanding that mechanical integrity testing conducted on this well following the replacement of tubing and packer system was only successful with the packer set at a depth of 3402 feet. This location of the packer is approximately 120 feet above the top of the open-hole injection interval that begins at 3522 feet. The approved injection interval is from 3522 feet to 3780 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 120 feet unless the operator receives written approval from the Division Director.

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.

Packer Setting Depth Exception
Mar Oil and Gas Corp.
October 2, 2013
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Sincerely,

A handwritten signature in black ink, appearing to read "Jami Bailey", written over a horizontal line.

JAMI BAILEY
Director

JB/prg

cc: Oil Conservation Division – Hobbs Office
Case File 3429
Well File API 30-025-09902