

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

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Cabinet Secretary

Tony Delfin
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



Administrative Order IPI-406-A

January 27, 2016

Administrative Application Reference No. pTGW1123748737

Administrative Application Reference No. pWVJ1530032978

Administrative Application Reference No. pPRG1602733983

Mr. David Alvarado
SENM District Fluids Manager
Basic Energy Services, LP
801 Cherry Street
Ft. Worth, TX 76102

RE: Injection Pressure Increase; Correction of Order

UIC Class II Disposal Well
SWD; Delaware Pool (96100)

Dear Sir:

Reference is made to your request on behalf of Basic Energy Services, LP (OGRID 246368) received on January 7, 2016, to increase the maximum allowed surface tubing pressure (in pounds per square inch (psi)) on the following well(s):

Well No.	API Number	UL-S-T-R	Injection Authority	Existing Pressure Limit (psi)	Existing Tubing OD (in)
Belco No. 2	30-015-25433	F-20-23S-28E	Administrative Orders: SWD-1292 and IPI-406	1056	2 $\frac{7}{8}$

Division reviewed the recent step rate test (SRT) results dated December 15, 2015, and the previous SRT results dated August 11, 2011, submitted in the application which supported the approval of administrative order IPI-406. Analysis of the SRT results for order IPI-406 found that the vendor improperly plotted the results which Division used in approving the pressure increase. Therefore, Division is correcting the approved injection pressure for this well as to prevent any additional fracturing of the formation and, possibly, the confining strata.

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

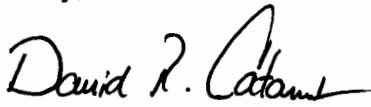
Well No.	Step Rate Test Date	New Pressure Limit (psi)	While Injecting	Injection Interval (ft)	Pressure Gradient (psi/ft)
Belco No. 2	8/11/2011	880	water	2540 to 3680	0.35

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.

The previous pressure increase, approved in administrative order IPI-406 dated September 19, 2011, is hereby rescinded with the approval of this order.

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/prg

cc: Oil Conservation Division – Artesia District Office
State Land Office - Oil, Gas, and Minerals Division
Well File API 30-015-25433