

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Dylan M. Fuge
Deputy Secretary

Dylan Fuge, Director Director (Acting)
Oil Conservation Division



Administrative Order PMX-352

ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION

Under the provisions of Division Order No. R-6199, as amended, Occidental Permian LTD, (Applicant; OGRID No. 157984) has made application to the Oil Conservation Division (OCD) for permission to convert one active producing oil well to an injection well in its North Hobbs Grayburg-San Andres Unit (G/SA) Phase I Tertiary Recovery Project located within the Hobbs; Grayburg-San Andres Pool (Pool Code 31920) in Lea County, New Mexico. The well, the **North Hobbs G/SA Unit No. 949 (API 30-025-41643)** is being proposed for injection of produced water, carbon dioxide (CO₂), and produced gas within the project.

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 is 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.

The well in this administrative application in the North Hobbs G/SA Unit was previously authorized to inject under administrative order PMX-303 which lapsed without injection commencing within one year period required in the order. Occidental Permian LTD was required to submit this new application that 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 the well location 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.

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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
30-025-41643	North Hobbs G/SA Unit #949	F	33	18S	38E	2243 FNL	2046 FWL	4,630-4,885 ft	Perfs
	Bottomhole Location	I	33	18S	38E	2526 FNL	1099 FWL		

The approved injection interval for the well is into the Grayburg and San Andres formations from an approximate perforated depth of 4,630 feet to a maximum perforated depth of 4,885 feet. The approved maximum surface tubing injection pressure shall be 1,100 pounds per square inch – gauge (psig) for water injection, 1,250 psig for CO₂ only, and 1,770 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.

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.

Any existing well (active or plugged) approved for injection under this order, and as provided for in Order No. R-6199-F, shall complete the following requirements prior to the installation of the tubing and packer set.

- a. Conduct a successful pressure test of the production casing from surface to packer depth following procedures provided in 19.15.16.10(I) NMAC; and
- b. Obtain a new cement bond log (CBL) from surface to the top of the top perforation (or top of open hole) of the approved injection interval. A copy of the CBL shall be submitted electronically to the OCD Engineering Bureau email attached to a Form C-103.

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If either the pressure test fails or the CBL demonstrates inadequate cement to protect shallow Underground Sources of Drinking Water, the operator shall be required to conduct corrective action on the well until the integrity issue is addressed and approved by the OCD.

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 Paragraphs (16) and (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.

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 Rule 19.15.26.11(A) NMAC. The Director retains the right to require at any time wireline verification of completion and packer setting depths in this well.

The wellhead injection pressure on this 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 for this well.

Subject to the limitations within the hearing order permitting this project, the Director may authorize an increase in tubing pressure upon a proper showing by the operator of the proposed well 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 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 using Form C-103 and submitting using OCD E-permitting. The operator shall submit monthly reports of the injection operations on 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 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.

The OCD may revoke this injection permit after notice and hearing if the operator is in violation of 19.15.5.9 NMAC.

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

The injection authority granted herein shall terminate one (1) year after the effective date of this order if the operator has not commenced injection operations into the subject well, provided however, the OCD, upon written request by the operator received prior to the one-year deadline, may grant an extension thereof for good cause shown.



DYLAN M. FUGE
Division Director (Acting)

Date: 2/23/24

DMF/mgm

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State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
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CONDITIONS
 Action 359651

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Operator: OCCIDENTAL PERMIAN LTD P.O. Box 4294 Houston, TX 772104294	OGRID: 157984
	Action Number: 359651
	Action Type: [IM-SD] Admin Order Support Doc (ENG) (IM-AAO)

CONDITIONS

Created By	Condition	Condition Date
mgebremichael	None	6/28/2024