

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



February 4, 2014

Ms. Jana Spraberry
PPC Operating Company LLC
1500 Industrial, Suite 102
Abilene, Texas 79603

RE: Packer Setting Depth Exception

Injection Authority: Order No. R-4521(as amended by R-9848); Rhodes Yates Unit
Waterflood Project

Pool: Rhodes; Yates-Seven Rivers

Rhodes Yates Unit Well No. 10 API 30-025-12058

(Identified as the Morris Well No. 2 in Order R-4521)

Unit L, Sec 27, T26S, R37E, NMPM, Lea County, New Mexico

Ms. Spraberry:

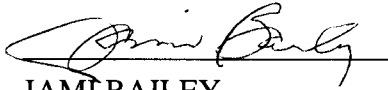
Reference is made to your request on behalf of PPC Operating Company (OGRID 288774; the "operator") received by the Division on January 10, 2014, for the above named well. The operator applied for exception for setting the packer within 100 feet of the top of the approved injection interval.

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 2963 feet. This location of the packer is approximately 159 feet above the top of the perforated injection interval that begins at 3112 feet. The approved injection interval is from 3112 feet to 3327 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 159 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.

Sincerely,



JAMI BAILEY
Director

JB/prg

cc: Oil Conservation Division – Hobbs Office
Case File 4936
Well File API 30-025-12058



RECEIVED OGD
2014 JAN 21 A 11:39

January 10, 2014

New Mexico Oil Conservation District
Attn: Phillip Goetze
1220 South St. Francis Dr.
Santa Fe, NM 87505

RE: Well API #30-025-12058-0000
Rhodes Yates Unit
Well No. 010
Rhodes; Yates-Seven Rivers Pool
Lea County, NM

We have worked on this injection well this week, replacing the tubing and packer. During workover operations, the packer was found to be at 2,963 feet which is 159 feet above the top perforation of 3,122 feet. Our field foreman reset the packer where he found it at 2,963. Unfortunately, the paperwork filed by the previous operator, shows the packer set at 3,063 feet. A mechanical integrity test was run on the well 1/10/2014 and witnessed by Mark Whitaker of the NMOCD Hobbs office. The well held a steady pressure for 30 minutes.

We are requesting permission to leave the packer at 2,963 feet rather than have to rig back up on the well and reset it.

Please advise if you have any questions or need any other information. You can reach me at 325-267-6046 or jspraberry@plantationpetro.com.

Sincerely,

Jana Spraberry
Office Administrator
PPC Operating Company LLC

-2-
Case No. 4936
Order No. R-4521

IT IS THEREFORE ORDERED:

(1) That the applicant, Texaco Inc., is hereby authorized to institute a waterflood project in the Rhodes Yates Unit Area, Rhodes-Yates Pool, by the injection of water into the Yates-Seven Rivers formations through the following-described seven wells in Township 26 South, Range 37 East, NMPM, Lea County, New Mexico:

LEASE	WELL NO.	LOCATION
Rhodes Yates Unit #5 Rhodes Yates Unit #7 State "JD" Unit	2	660' FNL and 660' FWL, Sec. 27 30-025-12072 (D)
State "JD" Unit	4	1650' FNL and 2310' FWL, Sec. 27 30-025-12063
N.M. "AD" State	1	660' FNL and 1980' FWL, Sec. 28 (A)
Morris	2	1980' FNL and 660' FWL, Sec. 27 (L)
Morris	3	990' FSL and 2970' FEL, Sec. 27 (A)
State "A" 28	1	1980' FNL and 660' FEL, Sec. 28
H.G. Moberly "C" (NCT-2)	3	660' FSL and 660' FEL, Sec. 21-P

(2) That injection into each of said wells shall be through internally plastic-coated tubing set in a packer which shall be located as near as is practicable to the uppermost perforation, or in the case of open-hole completions, as near as is practicable to the casing-shoe; that the casing-tubing annulus of each injection well shall be loaded with an inert fluid and equipped with a pressure gauge at the surface.

(3) That the subject waterflood project is hereby designated the Texaco Rhodes-Yates Waterflood Project and shall be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

(4) That monthly progress reports of the waterflood project herein authorized shall be submitted to the Commission in accordance with Rules 704 and 1120 of the Commission Rules and Regulations.

(5) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

[Signature]
I. R. TRUJILLO, Chairman

[Signature]
ALEX J. ARMISTO, Member

[Signature]
A. L. PORTER, Jr., Member & Secretary

S E A L

dr/

Rhodes
Yates
Unit #10
30-025-12038
2130 FSL 660 FWL

Entered May 17, 1973
A.P.

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 4936
Order No. R-4521

APPLICATION OF TEXACO INC. FOR
A WATERFLOOD PROJECT, LEA
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on April 11, 1973,
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 17th day of May, 1973, the Commission, a
quorum being present, having considered the testimony, the
record, and the recommendations of the Examiner, and being
fully advised in the premises,

FINDS:

(1) That due public notice having been given as required
by law, the Commission has jurisdiction of this cause and the
subject matter thereof.

(2) That the applicant, Texaco Inc., seeks authority to
institute a waterflood project in the Rhodes Yates Unit Area,
Rhodes-Yates Pool, by the injection of water into the Yates-
Seven Rivers formations through seven injection wells in
Sections 21, 27 and 28, Township 26 South, Range 37 East,
NMPM, Lea County, New Mexico.

(3) That the wells in the project area are in an advanced
state of depletion and should properly be classified as
"stripper" wells.

(4) That the proposed waterflood project should result
in the recovery of otherwise unrecoverable oil, thereby
preventing waste.

(5) That the subject application should be approved and
the project should be governed by the provisions of Rules 701,
702, and 703 of the Commission Rules and Regulations.

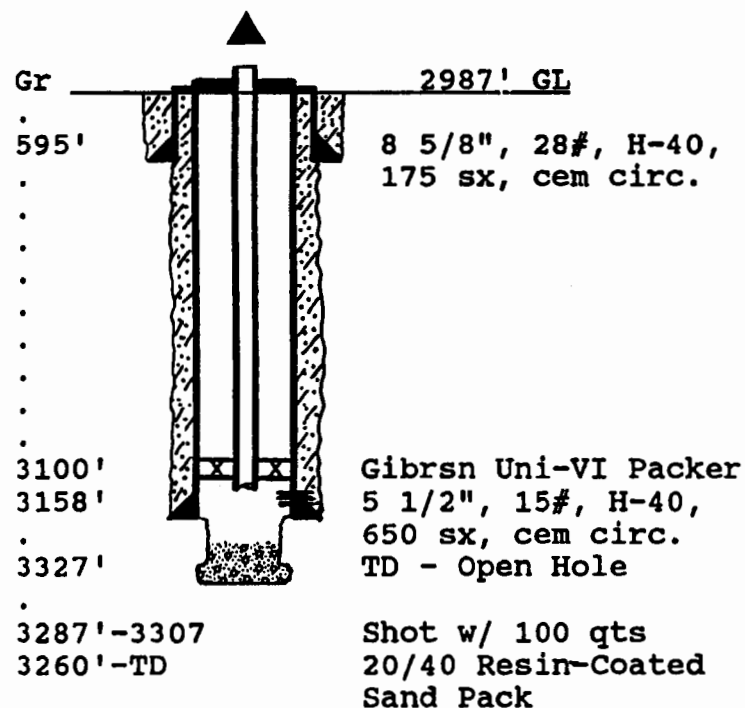
FROM C-108
for R-9848

PO-108

INJECTION WELL DATA SHEET

OPERATOR: Texaco Exploration & Production Inc. WELL: Rhodes Yates Unit #10 WIW
FOOTAGE LOCATION: 2310 FSL, 660 FWL Sec./Twn/Rng: Unit L, Section 27, T-26-S, R-37-E
Additional pay will be added to Middle Yates. DF = 2996' Lea County, New Mexico

SCHEMATIC



Estimated Tops:
Salt 1400'- 2870'
Yates 3008'
Oil Pay 3287'

** Additional perfs from 3122'-3153'

TABULAR DATA

Surface Casing: Set at: 595 '
Size 8 5/8", 28# Cemented with 175 sx.
TOC surface ' determined by circulated
Hole Size NR Comp. Date 4-26-43
Intermediate casing: Set at: _____ '
Size none Cemented with _____ sx.
TOC _____ ' determined by _____
Hole Size _____
Production Casing: Set at: 3158 '
Size 5 1/2", 15# Cemented with 650 sx.
TOC surface ' determined by circulated
Hole Size 7 7/8'
Injection Interval:
3122 ' to 3327 ' through: Open Hole
Tubing: 2 3/8", 4.7#, J-55, ICC, 2000# WP