

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



NM OIL CONSERVATION

ARTESIA DISTRICT

JUN 06 2017

RECEIVED

June 5, 2017

Mr. Mike Pippin
Lime Rock Resources II-A, L.P.
3104 N. Sullivan
Farmington, NM 87401

RE: Packer Setting Depth Exception

Injection Authority: Administrative Order SWD-1646 (dated August 12, 2016)
Permitted Interval: Cisco formation; approximately 7530 feet to approximately 8700 feet
Choate Davis 14 State SWD Well No. 2 (API 30-015-43628)
Unit E, Sec 14, T18S, R27E, NMPM, Eddy County, New Mexico

Mr. Pippin:

Reference is made to your request on behalf of Lime Rock Resources II-A, L.P. (OGRID 277558; "Lime Rock") received by the Division on May 17, 2017, for the above named well. Lime Rock applied for exception for setting the upper packer within 100 feet of the top perforation in the injection interval.

It is our understanding that Lime Rock has requested a packer setting depth of 7350 feet below surface or approximately 200 feet above the top of the open hole of the injection well. Following the drilling of the open-hole interval, Lime Rock identified a casing integrity problem for the section above the shoe of the 7-inch production casing. Lime Rock stated that the original attempts to obtain a proper seal for the tubing packer was not successful until a depth above 7365 feet.

To address this situation and provide for mechanical integrity of the well, Lime Rock proposed the installation of a two-packer system with a packer at of depth of 7465 feet and a second packer at a depth of 7350 feet. The Division accepted this installation with the condition that the Division may require an increase in the frequency of mechanical integrity testing for this well.

As a result, Lime Rock requests an exception for the current depth of the upper packer for the two-packer system at 7350 feet below surface. This location of the packer is approximately 200 feet above the top of the open hole and casing shoe for the 7-inch production casing at 7550 feet. This places both packers above the injection interval from 5816 feet to 6512 feet and above the approved injection formation top at 7530 feet.

Packer Setting Depth Exception
Lime Rock Resources II-A, L.P.
June 5, 2017
Page 2 of 2

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 upper packer location within this well shall not be set higher than 200 feet above the top of the open-hole interval unless the operator receives written approval from the Division Director. This exception is applicable only with the use of the two-packer system as detailed in the Lime Rock correspondence dated May 17, 2017. **The Division also stipulates that future repositioning of the upper packer above the current will not be considered and that the operator will be required to remediate the 7-inch production casing to resolve the casing integrity issue.**

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,



DAVID R. CATANACH
Director

DRC/prg

cc: Oil Conservation Division – Artesia District Office
New Mexico State Land Office – Oil, Gas and Minerals Division
Administrative Order SWD-1646
Well File API 30-015-43628