

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

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

Jami Bailey, Division Director
Oil Conservation Division



Administrative Order IPI-468
July 11, 2014

Lime Rock Resources II-A, L.P.
1111 Bagby
Houston, TX. 77002
Attn: Mike Pippin

RE: Injection Pressure Increase

Injection Authority: Administrative Order SWD-1352-A

Pool: SWD; Abo-Wolfcamp-Cisco (Pool code 97967)

Choate-Davis "14" State" SWD Well No. 1 API 30-015-40629

Unit letter J, Sec 14, T18S, R27E, NMPM, Eddy County, New Mexico

Dear Mr. Pippin:

Reference is made to your request on behalf of Lime Rock Resources II-A, L.P (OGRID 277558) received by the Division on May 5, 2014, to increase the maximum allowed surface tubing pressure on the above named well.

This well was permitted by the Division for water disposal in the Abo, Wolfcamp, and Cisco, formations by Division Administrative Order SWD-1352-A approved February 14, 2014. That permit allowed disposal through perforations from 6500 feet to 6600 feet and open hole from 6650 to 9000 feet at a maximum surface disposal pressure of 1300 psi.

It is our understanding that this well will not take a sufficient volume of fluid at the current pressure limit and a higher pressure limit is needed. It is also understood that an increase will not result in the fracturing of the formation and confining strata.

Based on a step-rate test for this well conducted on April 23, 2014, through 4 ½-inch tubing, you are hereby authorized to inject at the following maximum surface tubing pressure:

Choate-Davis "14" State SWD Well No. 1 API 30-015-40629

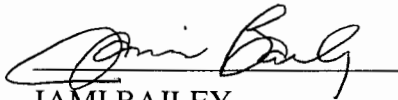
2016 psi

This approval is based on the provision that the tubing size, packer setting depth and completion interval for this well does not change. Any future requested pressure increase will require resubmission of additional data and 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 this well.

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 Division Director may rescind this permitted injection pressure increase 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,


JAMI BAILEY
Director

JB/mam

cc: Oil Conservation Division – Artesia District Office
State Land Office – Oil, Gas and Minerals Division
Administrative Order SWD-1352-A
Well file 30-015-40629