

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



June 16, 2017

Ms. Rhonda Rogers
ConocoPhillips Company
3300 N "A" Street
Midland, TX 79705

RE: Packer Setting Depth Exception

MCA Unit Well No. 419 (API 30-025-38987)

Unit M, Sec 27, T17S, R32E, NMPM, Lea County, New Mexico

Injection Authority: Administrative Order WFX-886 (dated April 18, 2011); Maljamar Cooperative Agreement (MCA) Unit Waterflood Project

Permitted Interval: Grayburg and San Andres formations (Unitized Formation per Division Order R-2403 (as amended)); perforations from 3955 feet to 4205 feet

Pool: Maljamar; Grayburg-San Andres Pool (Pool code: 43329)

Ms. Rogers:

Reference is made to your request on behalf of ConocoPhillips Company (OGRID 217817; "ConocoPhillips") received by the Division on June 15, 2017, for the above named well. ConocoPhillips applied for exception for setting the packer within 100 feet of the top perforation in the injection interval.

It is our understanding that ConocoPhillips maintained a previous packer setting depth of 3920 feet below surface or approximately 35 feet above the uppermost perforation of the injection well. Following repairs to the injection well, ConocoPhillips stated that the packer was set at 3677 feet below surface to obtain a proper seal for the tubing packer. As a result, ConocoPhillips requests an exception for the current packer depth at 3677 feet below surface. This location of the packer is approximately 278 feet above the shallowest perforation at 3955 feet, and is below the correlated upper limit of the Unitized Formation at 3626 feet below surface.

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 278 feet above the current top perforation depth unless the operator receives written approval from the Division Director. Additionally, any future requests for resetting the packer above 3626 feet

(the upper contact of the Unitized Formation) shall not be considered by the Division and ConocoPhillips shall be required to conduct corrective actions on the well to allow for closer seating of the packer to the uppermost perforations.

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 – Hobbs District Office
Bureau of Land Management – Carlsbad Office
Administrative Order WFX-886
Well File API 30-025-38987