

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



Administrative Order IPI-452
October 15, 2013

Ms. Carolyn Haynie
Chevron U. S. A. Inc.
15 Smith Road
Midland, TX 79705

RE: Injection Pressure Increase
Disposal Permit: SWD-1270
Pool: SWD; Cisco formation
Skelly Unit Well No. 51 API 30-015-05348
Unit I, Sec 22, T17S, R31E, NMPM, Eddy County, New Mexico

Dear Ms. Haynie:

Reference is made to your request on behalf of Chevron U. S. A. Inc. (OGRID 4323) received by the Division on August 16, 2013, 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 Cisco formation by administrative Order SWD-1270 approved March 29, 2011. That order allowed disposal through perforations from approximately 9430 feet to 9650 feet at a maximum surface disposal pressure of 1886 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 formations and confining strata.

Based on a step rate test for this well run August 6, 2013, through 3-1/2 inch tubing, you are hereby authorized to inject at the following maximum surface tubing pressure:

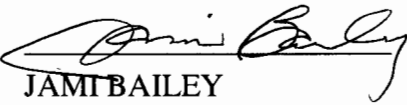
Skelly Unit Well No. 51 API 30-015-05348 2000 psi

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/prg

cc: Oil Conservation Division – Artesia Office
Bureau of Land Management – Carlsbad Office
Order SWD-1270