

9/05/2014 DATE IN	SUSPENSE	ENGINEER P 12 G	9/05/2014 LOGGED IN	IPI TYPE	PM 11424847423 APP NO
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Engineering Bureau -
1220 South St. Francis Drive, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery Caprock Maljamar Unit #283
☐ WFX ☐ PMX ☐ SWD ☒ IPI ☐ EOR ☐ PPR

[D] Other: Specify Existing Orders WFX-742/IPI-436

- IPI
- LINN OPERATING, Inc.
269324

WELL
- CAPROCK MALJAMAR
Unit #283
30-025-34193

[2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or Does Not Apply

[A] ☐ Working, Royalty or Overriding Royalty Interest Owners

[B] ☐ Offset Operators, Leaseholders or Surface Owner

[C] ☐ Application is One Which Requires Published Legal Notice

[D] ☐ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☐ Waivers are Attached

Pool
- MALJAMAR
Grayburg - San
Andres

[3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

[4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate and complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Laura Moreno

Laura A. Moreno

Regulatory Compliance Advisor

Sept. 4, 2014

Print or Type Name

Signature

Title

Date

lmoreno@linnenergy.com
e-mail Address

Submit 1 Copy To Appropriate District Office
District I - (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II - (575) 748-1283
811 S. First St., Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV - (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Revised July 18, 2013

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-025-34193
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No.
7. Lease Name or Unit Agreement Name CAPROCK MALJAMAR UNIT
8. Well Number 283
9. OGRID Number 269324
10. Pool name or Wildcat MALJAMAR;GRAYBURG-SAN ANDRES

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well ☐ Gas Well ☒ Other INJECTION

2. Name of Operator
LINN OPERATING, INC.

3. Address of Operator
600 TRAVIS, SUITE 5100, HOUSTON, TEXAS 77002

4. Well Location

Unit Letter O : 1033 feet from the S line and 1975 feet from the E line

Section 28 Township 17S Range 33E NMPM LEA County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐
DOWNHOLE COMMINGLE ☐
CLOSED-LOOP SYSTEM ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: REQUEST MASIP OF 2894 PSIA ☒

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

LINN performed a step rate test in 100-1000 bpd increasing increments at 30 minutes for each step. Intercept at 2,227 bwpd, 4812 BH psia with a surface intercept at 2944 psia. Intent to increase MASIP for the CMU #283 to 2894 psia.

Please Note Attached: Cardinal Survey Company Step Rate Test, Well Bore Diagram

Spud Date:

Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Laura A. Moreno TITLE REG COMPLIANCE ADVISOR DATE 9-04-2014

Type or print name LAURA A. MORENO E-mail address: lmoreno@linnenergy.com PHONE: 713-904-6657
For State Use Only

APPROVED BY: _____ TITLE _____ DATE _____
Conditions of Approval (if any): _____



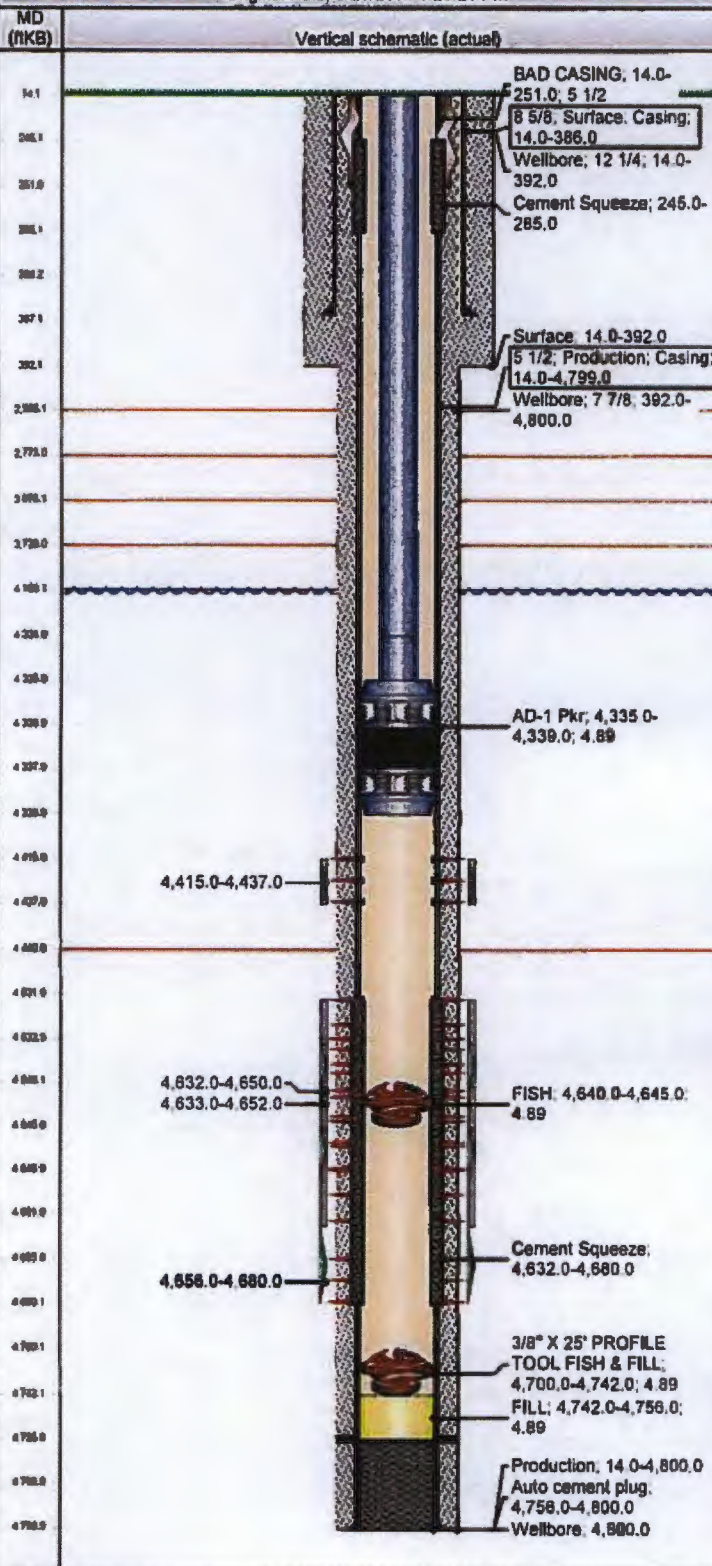
NM Sundry Schematic

Well Name: CAPROCK MALJAMAR UNIT 283

AP/WVI 3002534193	Field Name PB - Caprock Maljamar	County Lea	State/Prov NM	Section 28	Township 017-S	Range 033-E	Survey	Block
Ground Elevation (ft) 4,170.00	Orig KB Elev (ft) 4,184.00	KB-Grd (ft) 14.00	Initial Spud Date 11/28/1997	Rig Release Date	TD Date	Latitude (°)	Longitude (°)	Operated? Yes

Original Hole, 8/28/2014 1:28:21 PM

Original Hole Data



Casing Strings

Run Date	Casing Description	Set Depth (ftKB)
11/29/1997	Surface	387.0
Run Date	Casing Description	Set Depth (ftKB)
12/4/1997	Production	4,800.0

Cement Stages

Des	Top (ftKB)	Bot (ftKB)	Com
Surface	14.0	392.0	CMT W/300 SX CLASS C CONTAINING 1/4 PPS FLOCELE + 2% CACL. CIRC'D 95 SX.
Production	14.0	4,800.0	CMT W/1000 GAL SUPERFLUSH 102 + 1200 SX HALLIBURTON LITE W/8# SALT/SK + 1/4# FLOCELE/SK FOLLOWED BY 250 SX PREMIUM PLUS W/3# KCL/SK + 0.5% HALAD 344 + 1/4# FLOCELE/SK. DISPLACED W/1 BBL FW + 12 BBLs MSA + 98 BBLs FW W/LO-SURF 300. CIRC'D 135 SX CMT.
Cement Squeeze	4,632.0	4,680.0	SOZ JACKSON PERFS W/150 SX CLASS C NEAT. TAILED W/50 SX 2% KCL C NEAT. REVERSED 11 BBLs CMT to PIT.
Cement Squeeze	245.0	285.0	Set PKR @285' pump 22-sks Class C cement POOH TIH w/ 1-jt and PKR. pressure tbg to 1544#

Stim/Treat Stages

Date	Min Top Depth (ftKB)	Max Bot Depth (ftKB)	Com
12/11/1997	4,633.0	4,652.0	ACIDIZED W/3000 GAL 15% NEFE ACID + 40 BS.
12/12/1997	4,415.0	4,437.0	ACIDIZED W/2500 GAL 15% NEFE ACID + 54 BS.
12/15/1997	4,415.0	4,437.0	FRAC'D W/5000 GALS GELLED BATER, 18,500 GAL #20 DELTA FRAC + 37,000# 16/30 BROWN SAND.
4/29/1999	4,632.0	4,680.0	ACIDIZE W/4500 GALS 15% HCL NEFE ACID W/120 7/8" BS.
4/3/2002	4,632.0	4,650.0	SPOT 500 GAL 15% NEFE ACID. ACIDIZE W/1500 GALS 15% NEFE ACID W/1500# RS.

Tubing Strings

Tubing Description		Run Date		Set Depth (ft)	
Tubing		7/30/2014		4,338.0	
Item Des	OD (in)	Len (ft)	Jts	Wt (lb/ft)	Grade
Tubing	2 3/8	4,320.00		4.70	N-80
Packer	4.892	4.00			

Step Rate Test



Cardinal Surveys Company

7/17/2014

Fracture @ 2227 BPD
4812 BHPSIA,
2944 Surf PSIA

Linn Energy
CMU # 283
CMU
LEA County, New Mexico
SC 60795
Tool # CSC2001
File# 21,818

$$\begin{array}{r} 2944 \text{ psi} \\ - 50 \text{ psi} \\ \hline 2894 \text{ psi} \end{array}$$

Downhole PSI Tool Ser. No.
Surface PSI Gauge Ser. No.
Tool @ 4500'

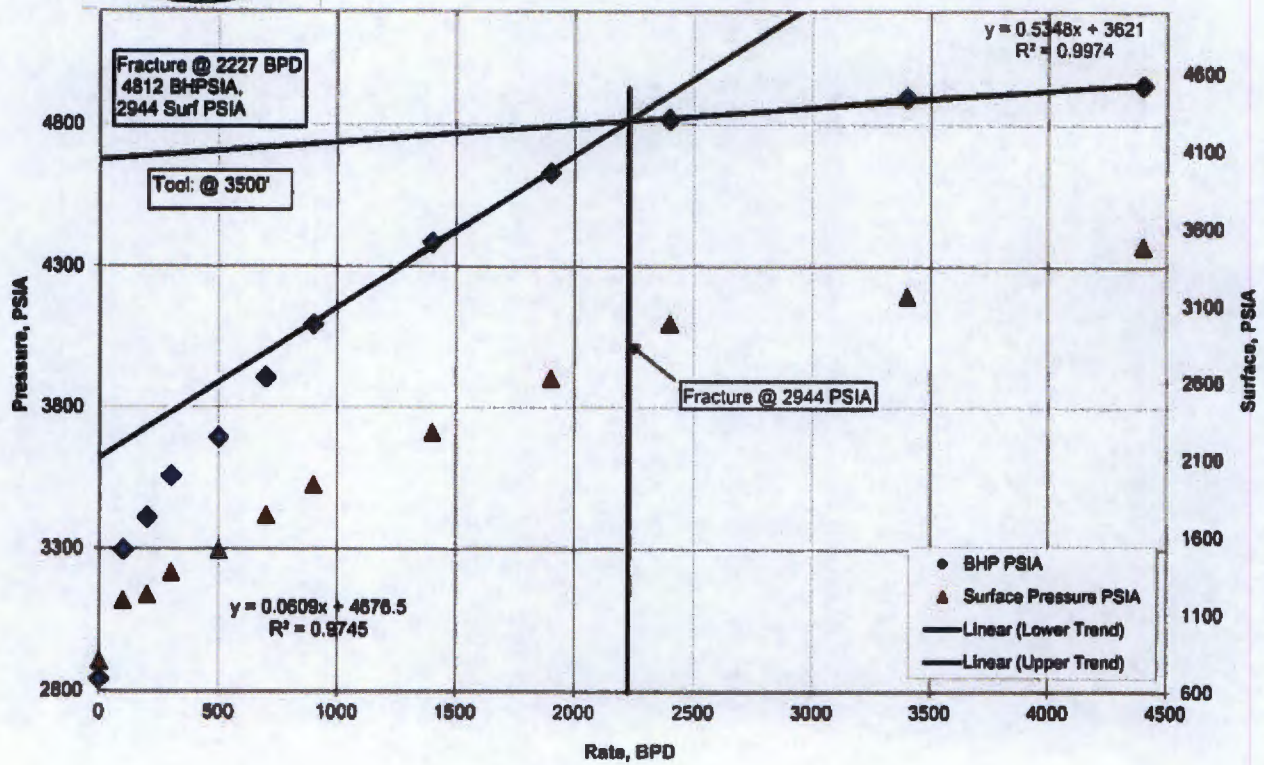
$$\frac{2944 \text{ psi}}{4415 \text{ ft}} = 0.67 \text{ psi/ft}$$

$$\frac{2894 \text{ psi}}{4415 \text{ ft}} = 0.66 \text{ psi/ft}$$

Start Time	End Time	Rate BPD	Comments
1	9:48 AM 12:00 PM		0 On Bottom
2	12:00 PM 12:30 PM	100	
3	12:30 PM 1:00 PM	200	
4	1:00 PM 1:30 PM	300	
5	1:30 PM 2:00 PM	500	
6	2:00 PM 2:30 PM	700	
7	2:30 PM 3:00 PM	900	
8	3:00 PM 3:30 PM	1400	
9	3:30 PM 4:00 PM	1900	
10	4:00 PM 4:30 PM	2400	
11	4:30 PM 5:00 PM	3400	
12	5:00 PM 5:30 PM	4400	
13	5:30 PM 5:45 PM		0 Fall Off



Linn Energy CMU # 283
Step Rate Test 07-17-2014



Step Rate Test

Linn Energy
CMU # 283
CMU
LEA County, New Mexico



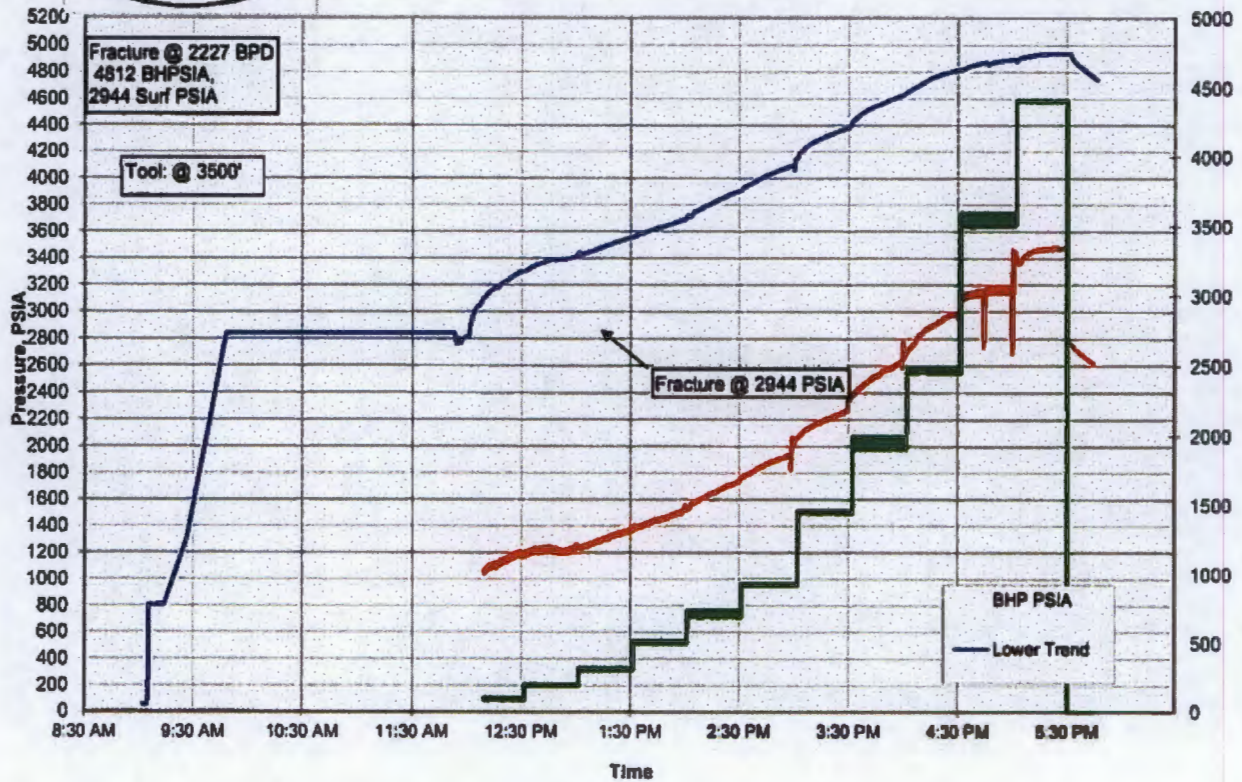
	S Time	E Time	D Time	Last Rate	Step 1. Pressure		Surf	Cum	Delta	Avg.	Avg From	Lower	Upper
			Min	BPD	BPD	PSIA	PSIA	BBL	BBL	BPD	Raw Data	Trend	Trend
1	9:48 AM	12:00 PM	132	0	0	2842.8	794	0	0	0			
2	12:00 PM	12:30 PM	30	100	100	3296.4	1185	5.5	5.5	56880			
3	12:30 PM	1:00 PM	30	200	100	3410	1222	11.8	6.3	58556			
4	1:00 PM	1:30 PM	30	300	200	3556.1	1367	19.6	13.3	65616			
5	1:30 PM	2:00 PM	30	500	300	3692	1509	29.3	16	72432			
6	2:00 PM	2:30 PM	30	700	400	3906.2	1734	44.9	28.9	83232			
7	2:30 PM	3:00 PM	30	900	500	4094.5	1934	63.1	34.2	92832			4094.5
8	3:00 PM	3:30 PM	30	1400	900	4385.4	2271	93.4	59.2	109008			4385.4
9	3:30 PM	4:00 PM	30	1900	1000	4629.3	2624	133.8	74.6	125952			4629.3
10	4:00 PM	4:30 PM	30	2400	1400	4816.9	2981	192.9	118.3	143088		4816.9	
11	4:30 PM	5:00 PM	30	3400	2000	4894.8	3160	260.3	142	151680		4894.8	
12	5:00 PM	5:30 PM	30	4400	2400	4938.6	3484	352.5	210.5	167232		4938.6	
13	5:30 PM	5:45 PM	15		-2400				-210.5	0			

0.0609 4676.543
0.5348 3621.013

Int point: 2227.091 BPD
4812.062 Psia



Linn Energy CMU # 283
Step Rate Test 07-17-2014



WFX 10/16/98



J.O. EASLEY, INC.

ESTABLISHED 1979
P.O. Box 245 88211-0245
119 South Roselawn, Suite 302
Artesia, New Mexico 88210

September 30, 1998

Telephone (505) 746-1070
Fax (505) 746-1073

Mr. David Catanach
New Mexico Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

RE: C-108
Caprock Maljamar Waterflood Unit
Lea County, New Mexico

Dear Mr. Catanach:

Enclosed is an original and one copy of the C-108 for 2 new injection wells within The Wiser Oil Company's Caprock Maljamar Waterflood Unit.

If you have any questions, please call me at 505-624-9677 or Mike Burch at 505-746-1070.

Sincerely,

J. O. EASLEY, INC.

Bonita L. Limpus Jones
Consulting Landman

/bj

Enclosures

cc/enclosure: Mr. Chris Williams
New Mexico Oil Conservation Division
P. O. Box 1980
Hobbs, New Mexico 88240

Mr. Mike Jones
The Wiser Oil Company
P. O. Box 2568
Hobbs, New Mexico 88240

Mr. Matt Eagleston
The Wiser Oil Company
8115 Preston Road, Suite 400
Dallas, Texas 75225

AOR 57
TOTAL 9
P&A
REPAIR 0
(38)

APPLICATION FOR AUTHORIZATION TO INJECT

- I. PURPOSE: ☒ Secondary Recovery ☐ Pressure Maintenance ☐ Disposal ☐ Storage
Application qualifies for administrative approval? ☒ Yes ☐ No
- II. OPERATOR: The Wiser Oil Company
ADDRESS: P. O. Box 2568, Hobbs, NM 88241
CONTACT PARTY: Mike Jones PHONE: (505) 392-9797
- III. WELL DATA: Complete the data required on the reverse side of this form for each well processed for injection. Additional sheets may be attached if necessary.
- IV. Is this an expansion of an existing project: ☒ Yes ☐ No
If yes, give the Division order number authorizing the project R-10094 Caprock Maljamar Unit
- V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.
- VI. Attach a tabulation of data on all wells of public record within the area of review which penetrates the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.
- VII. Attach data on the proposed operation, including:
1. Proposed average and maximum daily rate and volume of fluids to be injected;
 2. Whether the system is open or closed;
 3. Proposed average and maximum injection pressure;
 4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and
 5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).
- *VIII. Attach appropriate geological data on the injection zone including appropriate lithologic detail, geological name, thickness and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such sources known to be immediately underlying the injection interval.
- IX. Describe the proposed stimulation program, if any.
- * X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division, they need not be resubmitted.)
- * XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.
- XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground source of drinking water.
- XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.
- XIV. Certification: I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.
- NAME: Michael R. Burch, CPL TITLE: Agent
SIGNATURE: Michael R. Burch DATE: 9-30-98
- * If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be resubmitted. Please show the date and circumstance of the earlier submittal. _____

III. WELL DATA

- A. The following well data must be submitted for each injection well covered by this application. The data must be both in tabular and schematic form and shall include:

- (1) Lease name; Well No.; Location by Section, Township, and Range; and footage location within the section.
- (2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement, and how such top was determined.
- (3) A description of the tubing to be used including its size, lining material, and setting depth.
- (4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

Division District Offices have supplies of Well Data Sheets which may be used or which may be used as models for this purpose. Applicants for several identical wells may submit a "typical data sheet" rather than submitting the data for each well.

- B. The following must be submitted for each injection well covered by this application. All items must be addressed for the initial well. Responses for additional wells need be shown only when different. Information shown on schematics need not be repeated.

- (1) The name of the injection formation and, if applicable, the field or pool name.
- (2) The injection interval and whether it is perforated or open-hole.
- (3) State if the well was drilled for injection or, if not, the original purpose of the well.
- (4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.
- (5) Give the depth to and name of the next higher and next lower oil or gas zone in the area of the well, if any.

XIV. PROOF OF NOTICE

All applicants must furnish proof that a copy of the application has been furnished, by certified or registered mail, to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location.

Where an application is subject to administrative approval, a proof of publication must be submitted. Such proof shall consist of a copy of the legal advertisement which was published in the county in which the well is located. The contents of such advertisement must include:

- (1) The name, address, phone number, and contact party for the applicant;
- (2) The intended purpose of the injection well; with the exact location of single wells or the section, township, and range location of multiple wells;
- (3) The formation name and depth with expected maximum injection rates and pressures; and
- (4) A notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, PO Box 2088, Santa Fe, NM 87504-2088 within 15 days.

NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER PROOF OF NOTICE HAS BEEN SUBMITTED.

NOTICE: Surface owners or offset operators must file any objections or requests for hearing of administrative applications within 15 days from the date this application was mailed to them.

C-108
APPLICATION FOR AUTHORIZATION TO INJECT

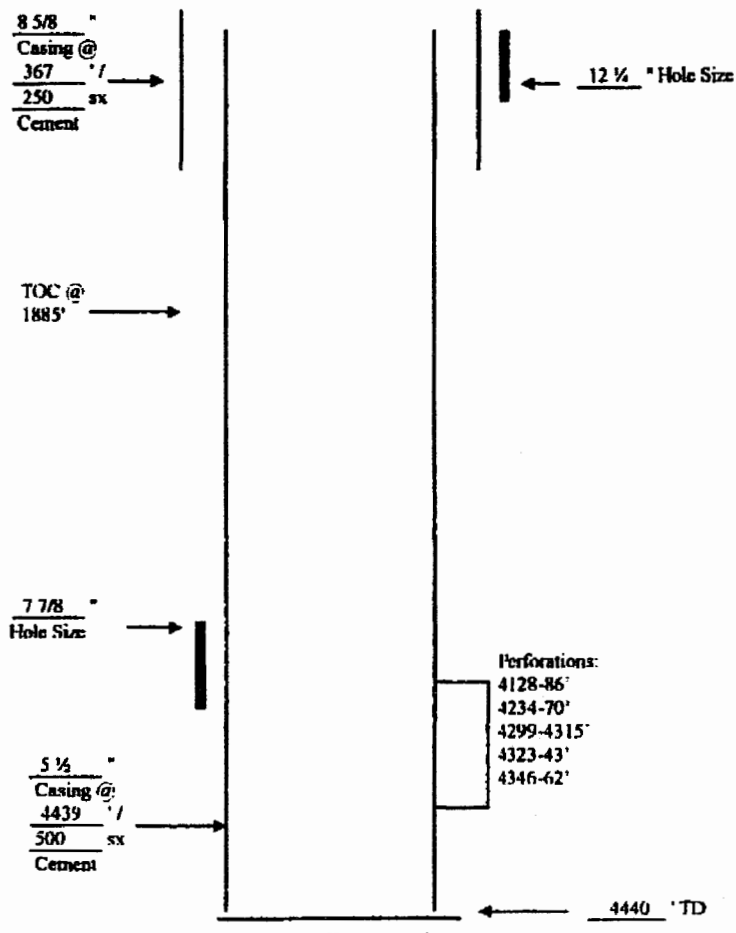
III. WELL DATA

The following data sheets describe the 2 Water Injection Wells for which this application is submitted by The Wiser Oil Company.

INJECTION WELL DATA SHEET

OPERATOR The Wiser Oil Company LEASE Caprock Maljamar Unit
 WELL NO. #98 660' FSL, 660' FWL, Unit M 28 17S 33E
 FOOTAGE LOCATION SECTION TOWNSHIP RANGE

Schematic



Well Construction Data

Surface Casing Set @ 367 '
 Size 8 5/8 " Cemented with 250 sx.
 TOC Surface feet determined by _____
 Hole Size 12 1/4 "
Intermediate Casing Set @ _____ '
 Size _____ " Cemented with _____ sx.
 TOC _____ Feet determined _____
 Hole Size _____ "
Long String Set @ 4439 '
 Size 5 1/2 " Cemented with 500 sx.
 TOC 1885 feet determined by Calculation
 Hole Size 7 7/8 "
 Total Depth 4440 '
Injection Interval _____ feet to _____ Feet
 (perforated or open-hole; Indicate which)
 Tubing Size 2 7/8 " lined with _____ Set in a _____
 (type of internal coating)
 Packer at 4109 Feet
 Other type of tubing / casing seal if applicable _____

Other Data

- Is this a new well drilled for injection? Yes ☒ No ☐
 If no, for what purpose was the well originally drilled?

Oil Production

- The Wiser Oil Company plans to convert this well to WIW
- Name of the Injection formation Grayburg-San Andres Vacuum
- Name of Field or Pool (if applicable) Grybg Jackson 7-Rivers-QN-GB-SA
- Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail, i.e., sacks of cement or plug(s) used 4128-86', 4234-70', 4299-4362'
- Give the names and depths of any over or underlying oil or gas zones (pools) in this area. _____

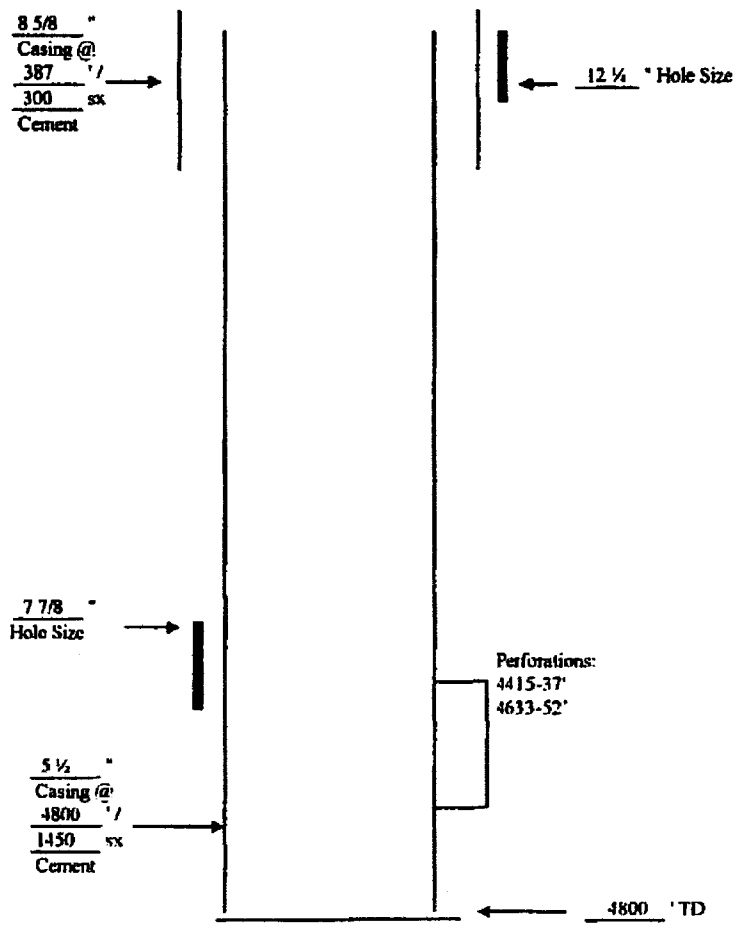
INJECTION WELL DATA SHEET

OPERATOR The Wiser Oil Company LEASE Caprock Maljamar Unit

WELL NO. #283 1033' FSL, 1975' FEL, Unit O 28 17S 33E

FOOTAGE LOCATION SECTION TOWNSHIP RANGE

Schematic



Well Construction Data

Surface Casing Set @ 387'
 Size 8 5/8" Cemented with 300 sx.
 TOC Surface feet determined by "
 Hole Size 12 1/4"
Intermediate Casing Set @ "
 Size " Cemented with " sx.
 TOC " feet determined by "
 Hole Size "
Long String Set @ 4800'
 Size 5 1/2" Cemented with 1450 sx.
 TOC " feet determined by "
 Hole Size 7 7/8"
 Total Depth 4800'
Injection Interval " feet to " Feet
 (perforated or open-hole; Indicate which)
 Tubing Size 2 7/8" lined with " set in a
 (type of internal coating)
" packer at 4671 feet
 Other type of tubing / casing seal if applicable "

Other Data

- Is this a new well drilled for injection? Yes X No "
 If no, for what purpose was the well originally drilled?

Oil Production

- The Wiser Oil Company plans to convert this well to WIW
- Name of the Injection formation Gravburg-San Andres Vacuum
- Name of Field or Pool (if applicable) Grybg Jackson 7-Rivers-QN-GB-SA
- Has the well ever been perforated in any other zone(s)? List all such Perforated intervals and give plugging detail, i.e., sacks of cement or Plug(s) used 4415-37', 4633-52'
- Give the names and depths of any over or underlying oil or gas zones (pools) in this area. "

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-436
July 26, 2013

Linn Operating, Inc.
600 Travis, Suite 5100
Houston, Texas 77002
Attn: Terry Callahan

RE: Injection Pressure Increase
Caprock Maljamar Unit Waterflood Project
Pool: Maljamar; Grayburg-San Andres (Pool Code: 43329)
Six Injection Wells in Sec 28, T17S, R33E, NMPM, Lea County, New Mexico

Dear Terry Callahan:

Reference is made to your request on behalf of Linn Operating, Incorporated (OGRID 1269324) received by the Division on May 6, 2013, to increase the maximum allowed surface tubing pressure for six injection wells within the Caprock Maljamar Unit project area.

These wells were permitted by the Division as part of a waterflood project in the Maljamar; Grayburg-San Andres pool under Division Order R-10094 approved April 5, 1994. That order authorized expansion of the waterflood project area and provides the Director with the ability to administratively permit an increase in pressure limitations based on results of formation testing.

It is our understanding that these wells 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 the Caprock Maljamar Unit Well No. 98 completed on April 26, 2013, through 2-3/8 inch tubing, you are hereby authorized to inject at the following **maximum surface tubing pressure (in psig) for the following unit wells:**

API Number	Well Name and Number	Letter Unit	Sec	Township	Range	Approved Max Pressure
30-025-01525	Caprock Maljamar Unit No. 98	M	28	17S	33E	2082
30-025-01527	Caprock Maljamar Unit No. 90	E	28	17S	33E	2082
30-025-01532	Caprock Maljamar Unit No. 99	N	28	17S	33E	2082
30-025-01537	Caprock Maljamar Unit No. 101	P	28	17S	33E	2082
30-025-01538	Caprock Maljamar Unit No. 100	O	28	17S	33E	2082
30-025-34193	Caprock Maljamar Unit No. 283	O	28	17S	33E	2082

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,

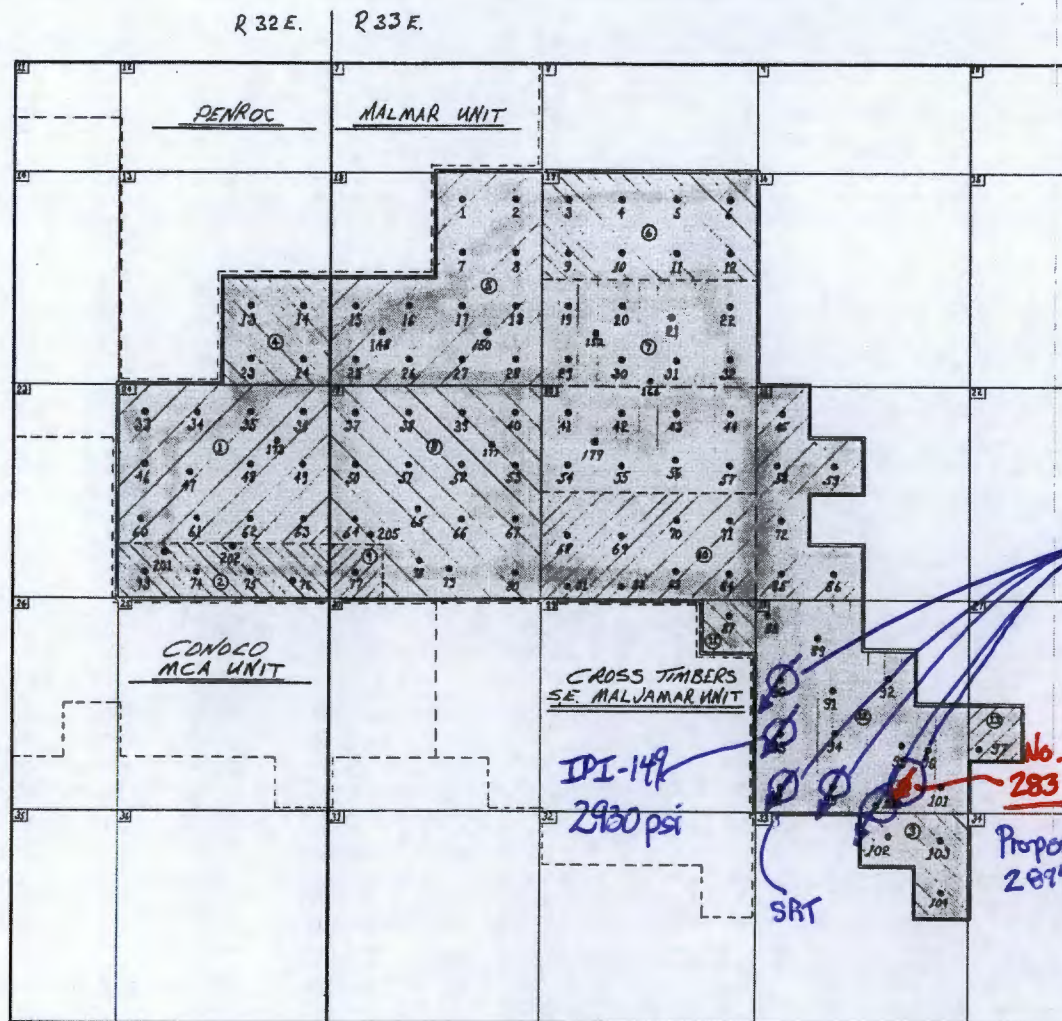


JAMI BAILEY
Director

JB/prg

cc: Oil Conservation Division – Hobbs
State Land Office – Oil, Gas and Minerals Division
Case File 10932

T 17 S



IPI-436
increased to 2082 psi
base on SRT at Nb.98

BEFORE EXAMINER CATANACH	
OIL CONSERVATION DIVISION	
EXHIBIT NO.	2
CASE NO.	10930

EXHIBIT "A"-1
UNIT AGREEMENT
CROCK MALJAMAR UNIT
LEA COUNTY, NEW MEXICO