

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-473
October 21, 2014

Ms. Denise Pinkerton
Chevron USA, Inc.
15 Smith Road
Midland, TX 79705

RE: Injection Pressure Increase

Injection Permit: Order No. R-5530
Pool: Vacuum; Grayburg-San Andres Pool (Pool code: 62180)
Central Vacuum Unit Well No. 108 API 30-025-25797
Unit G, Sec 6, T18S, R34E, NMPM, Lea County, New Mexico

Dear Ms. Pinkerton:

Reference is made to your request on behalf of Chevron, USA, Inc. (OGRID 4323) received by the Division on October 6, 2014, to increase the maximum allowed surface tubing pressure on the above named well.

This well was permitted by the Division for pressure maintenance in the San Andres formation by Division Order No. R-5530 approved September 20, 1977. Order No. R-5530-E permitted the expansion of the Central Vacuum Unit Tertiary Recovery Project and approved the injection of produced water alternating with gas (carbon dioxide and produced gases) into the San Andres formation. The Division Order No. R-5530-F allowed increases in the maximum surface injection pressures for existing wells within the "EOR Project Area". This well is located outside the "EOR Project Area" as described in Ordering Paragraph (10) of Order No. R-5530-E and has a completed interval from 4320 feet to 4732 feet.

It is our understanding that the applicant is requesting an increase in the maximum surface injection pressure for water only in order to enhance the tertiary recovery process. It is also understood that an increase will not result in the fracturing of the formation and confining strata.

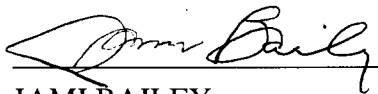
Based on a step-rate test for this well conducted May 6, 2014, through 2 3/8-inch tubing, you are hereby authorized to inject at the following maximum surface tubing pressure:

Central Vacuum Unit Well No. 108 API 30-025-25797 2050 psi for water only

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,

A handwritten signature in cursive script, appearing to read "Jami Bailey", written over a horizontal line.

JAMI BAILEY
Director

JB/prg

cc: Oil Conservation Division – Hobbs District Office
State Land Office – Oil, Gas and Minerals Division
Well File 30-025-25797