

State of New Mexico  
Energy, Minerals and Natural Resources Department

---

**Michelle Lujan Grisham**  
Governor

**Sarah Cottrell Propst**  
Cabinet Secretary

**Todd E. Leahy, JD, PhD**  
Deputy Secretary

**Adrienne Sandoval, Director**  
Oil Conservation Division



Administrative Order PMX-294  
July 13, 2021

ADMINISTRATIVE ORDER  
OF THE OIL CONSERVATION DIVISION

Under the provisions of OCD Order R-6199, as amended, Occidental Permian LTD (OGRID No. 157984) has made application to the OCD for permission to add gas injection to two existing injection wells in its North Hobbs Grayburg-San Andres Unit Phase I Tertiary Recovery Project located within the Hobbs; Grayburg-San Andres Pool (31920) in Lea County, New Mexico. The wells, the North Hobbs G/SA Unit Well No. 312, and the North Hobbs G/SA Unit Well No. 632 are both being proposed for injection of produced gas within the project. Both wells are currently approved for injection of water and carbon dioxide (CO<sub>2</sub>).

**THE DIVISION DIRECTOR FINDS THAT:**

The application has been duly filed under the provisions of 19.15.26.8(B) NMAC and may be approved administratively by the Division Director without notice and hearing, per Ordering Paragraph (1) of Commission Order No. R-6199-F, dated May 22, 2014. The proposed wells are eligible for conversion to injection under the terms of that rule and Ordering paragraph (1). The applicant has presented satisfactory evidence that all requirements prescribed in 19.15.26.8 NMAC have been met and the operator is in compliance with 19.15.5.9 NMAC.

This administrative application in the North Hobbs G/SA Unit may be approved administratively by the Director without notice and hearing, under the provision of Order No. R-6199-F.

The applicant has provided documentation of well type, API Number, casing programs, and total depth (TD) of existing wells within the one-half mile area of review (AOR) that were drilled prior to issuing of Order No. R- 6199-F. The operator provided additional information for the AOR of each well identifying any changes to the existing wells and any new penetrating wells completed since the order was approved.

The proposed expansion of the above-referenced pressure maintenance project, will prevent waste, is in the best interests of conservation, will not impair correlative rights, and

should be approved.

**IT IS THEREFORE ORDERED THAT:**

Occidental Permian LTD, as operator, is hereby authorized to inject water, CO<sub>2</sub>, and gas into the following wells for the purpose of tertiary recovery through plastic-lined tubing set into a packer:

API	Well Name	Unit	Section	Township	Range	Footages N/S (feet (ft))	Footages E/W (ft)	Injection Interval	Type
30-025- 27060	North Hobbs G/SA Unit #312	B	31	18S	38E	1262 FNL	1520 FEL	4092 ft - 4281 ft	Perfs
30-025- 37214	North Hobbs G/SA Unit #632	J	31	18S	38E	2118 FSL	1335 FEL	4211 ft - 4310 ft	Perfs

The approved injection interval for the two wells is into the Grayburg and San Andres formations from an approximate perforated true vertical depth of 4092 feet to a maximum perforated true vertical depth of 4310 feet. The approved maximum surface tubing injection pressure shall be 1100 pounds per square inch – guage (psig) for water injection, 1250 psig for CO<sub>2</sub> only, and 1750 psig for produced gas injection, as approved in Ordering Paragraph (7) of Order No. R-6199-F dated May 22, 2014.

The operator shall set the injection packer as close as practical to the uppermost injection perforation or casing shoe (of any open hole completion), so long as the packer set point remains below the top of the Grayburg formation, as approved in Ordering Paragraph (11) of Order No. R-6199-F.

**IT IS FURTHER ORDERED THAT:**

The operator shall take all steps necessary to ensure that the injected fluid enters only the approved injection interval and is not permitted to escape to other formations or onto the surface.

After installing tubing, the casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge or an approved leak detection device in order to determine leakage in the casing, tubing, or packer. The casing shall be pressure tested from the surface to the packer setting depth to assure casing integrity.

The wells shall pass an initial mechanical integrity test ("MIT") prior to initially commencing injection and prior to resuming injection each time any injection packer is unseated. All MIT testing procedures and schedules shall follow the requirements in Ordering Paragraph (16) and Ordering Paragraph (17) of Order No. R-6199-F. The Division Director retains the right to require at any time wireline verification of completion and packer setting depths in these wells.

Prior to placing the subject wells on injection, a cement bond log or equivalent (CBL) shall be run on said wells and copies supplied to the OCD District Office, as stipulated in Ordering Paragraph (14) of Order No. R-6199-F-.

The wellhead injection pressure on the wells shall be limited as listed above. In addition, the injection well or header systems shall be equipped with a pressure limiting device in workable condition which shall, at all times, limit surface tubing pressures to the maximum allowable pressures approved for the specific injection fluid for these wells.

Subject to the limitations within the hearing order permitting this project, the Director of the OCD may authorize an increase in tubing pressure upon a proper showing by the operator of said wells that such higher pressure will not result in migration of the injected fluids from the approved injection interval. Such proper showing shall be demonstrated by sufficient evidence including but not limited to an acceptable Step-Rate Test.

The operator shall notify the supervisor of the OCD District office of the date and time of the installation of injection equipment and of any MIT test so that the same may be inspected and witnessed. The operator shall provide written notice of the date of commencement of injection in OCD Form C-103 to the District office. The operator shall submit monthly reports of the disposal operations on OCD Form C-115, in accordance with Rules 19.15.26.13 and 19.15.7.24 NMAC.

Without limitation on the duties of the operator as provided in Rules 19.15.29 and 19.15.30 NMAC, or otherwise, the operator shall immediately notify the District office of any failure of the tubing, casing or packer in the approved injection wells, or of any leakage or release of water, oil or gas from around any produced or plugged and abandoned well in the area, and shall take such measures as may be timely and necessary to correct such failure or leakage.

The injection authority granted under this order is not transferable except upon OCD approval. The OCD may require the operator to demonstrate mechanical integrity of any injection well that will be transferred prior to approving transfer of authority to inject.

Compliance with this order does not relieve the operator of the obligation to comply with other applicable federal, state or local laws or rules, or to exercise due care for the protection of fresh water, public health and safety and the environment.

PROVIDED FURTHER THAT, jurisdiction is retained by the OCD for the entry of such further orders as may be necessary for the prevention of waste and/or protection of correlative rights or upon failure of the operator to conduct operations (1) to protect fresh or protectable waters or (2) consistent with the requirements in this order, whereupon the OCD, after notice and hearing, terminate the disposal authority granted herein. The subject well shall be governed by all provisions of Order No. R-6199, as amended, and associated administrative orders.



Adrienne Sandoval  
OCD Division Director

cc: New Mexico Oil Conservation Division -  
Hobbs District Office  
Carlsbad Field Office- BLM  
Well Files - 30-025-27060, 30-025-37214  
Case File 15103