

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-456
November 4, 2013

Kaiser-Francis Oil Company
P. O. Box 731
Tulsa, Oklahoma 74101-0731
Attn: David Zerger

RE: Injection Pressure Increase
Disposal Permit: SWD-1084
Pool: SWD; Wolfcamp and Cisco formations
North Bell Lake Unit 4 Well No. 15 API 30-025-24771
Unit K, Sec 8, T23S, R34E, NMPM, Lea County, New Mexico

Dear Mr. Zerger:

Reference is made to your request on behalf of Kaiser-Francis Oil Company (OGRID 12361) received by the Division on October 4, 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 Bell Canyon and Cherry Canyon formations of the Delaware Mountain Group by Division administrative order SWD-1084 approved May 17, 2007. That permit allowed disposal through perforations from 5060 feet to 6550 feet at a maximum surface disposal pressure of 1012 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 formation and confining strata.

Based on a step-rate test for this well conducted on September 24, 2013, through 2 7/8-inch tubing, you are hereby authorized to inject at the following maximum surface tubing pressure:

North Bell Lake Unit 4 Well No. 15 API 30-025-24771 1870 psig

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 black ink, appearing to read "Jami Bailey", written over a horizontal line.

JAMI BAILEY
Director

JB/prg

cc: Oil Conservation Division – Hobbs
State Land Office – Oil, Gas and Minerals Division
File: SWD-1084