

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-475
November 14, 2014

Mr. Tyler Woodruff
Alamo Permian Resources, LLC
820 Gessner Road, Suite 1650
Houston, TX 77024

RE: Injection Pressure Increase

Injection Permit: Order No. R-3357-C and WFX-928
Pool: Artesia; Queen-Grayburg-San Andres Pool (Pool code: 3230)
West Artesia Grayburg Unit Well No. 1 API 30-015-02645
Unit C, Sec 8, T18S, R28E, NMPM, Eddy County, New Mexico

Dear Mr. Woodruff:

Reference is made to your request on behalf of Alamo Permian Resources, LLC (OGRID 274841) received by the Division on September 29, 2014, to increase the maximum allowed surface tubing pressure on the above named well.

This well was permitted by the Division for waterflood in the Grayburg formation by Division Order No. R-3357-C approved May 18, 2011. Order No. R-3357-C reinstated the West Artesia Grayburg Waterflood Project and approved the injection of produced water utilizing injection wells operated during the prior waterflood project. Administrative Order WFX-928 approved the expansion of the perforated interval listed in Ordering Paragraph (1) of Order No. R-3357-C.

It is our understanding that the applicant is requesting an increase in the maximum surface injection pressure in order to enhance the recovery process. It is also understood that an increase will not result in the fracturing of the formation and confining strata, and will not impact correlative rights of adjacent production in the same formation.

Based on a step-rate test for this well conducted August 27, 2014, through 2 3/8-inch tubing, you are hereby authorized to inject at the following maximum surface tubing pressure:

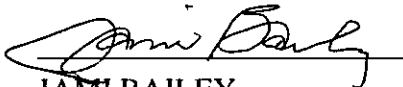
West Artesia Grayburg Unit Well No. 1	API 30-015-02645	1104 psi
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This approval is based on the provision that the tubing size, packer setting depth and completion interval for this well does not change. Any future requested pressure increase will require 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 District Office
State Land Office – Oil, Gas and Minerals Division
Well File 30-015-02645