

State of New Mexico  
Energy, Minerals and Natural Resources Department

Susana Martinez  
Governor

David Martin  
Cabinet Secretary

Tony Delfin  
Deputy Cabinet Secretary

David R. Catanach, Division Director  
Oil Conservation Division



Administrative Order IPI-504

May 23, 2016

Administrative Application Reference No. pMAM1612758668

Ms. Denise Pinkerton  
Chevron U.S.A. Inc.  
15 Smith Road  
Midland, TX 79705

RE: **Injection Pressure Increase**  
Central Vacuum Unit Tertiary Recovery Project  
Vacuum Grayburg San Andres Pool (62180)

Dear Sir or Madame:

Reference is made to your request on behalf of Chevron U.S.A. Inc. (OGRID 4323) received on May 5, 2016, to increase the maximum allowed surface tubing pressure on the following well(s):

| Well No. | API Number   | ULSTR        | Permitting Order and Last Order Specifying Pressure Limit | Existing Pressure Limit, Psi | Existing Tubing OD, In. |
|----------|--------------|--------------|---|------------------------------|-------------------------|
| CVU #029 | 30-025-25794 | L-30-17S-35E | Case 11650 Ex 12 12/19/96 and IPI-501                     | 2300                         | 2-3/8                   |
| CVU #155 | 30-025-27965 | I-25-17S-34E | PMX-121   | 875                          | 2-3/8                   |
| CVU #115 | 30-025-25800 | J-6-18S-35E  | R-5530 and Case 11650 Ex 12 12/19/96                      | 1295                         | 2-3/8                   |
| CVU #241 | 30-025-35213 | B-36-17S-34E | PMX-211 and IPI-155                                       | 1500                         | 2-3/8                   |

It is our understanding that the requested pressure increase is needed in order to increase the rate of injection and this pressure increase will not result in the fracturing of the formation and confining strata.

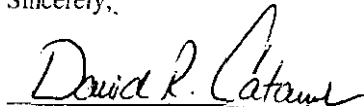
Based on the results of the submitted step rate injection test(s), the following shall be the new pressure limit(s) while equipped with **injection** tubing:

| Well No. | Step Rate Test Date | New Pressure Limit | While Injecting | Injection Interval, Feet | Pressure Gradient (in psi/ft) |
|----------|---------------------|--------------------|-----------------|--------------------------|-------------------------------|
| CVU #029 | 4/29/16             | 1900               | water           | 4460 to 4752             | 0.43                          |
| CVU #155 | 4/20/16             | 1980               | water           | 4403 to 4721             | 0.45                          |
| CVU #115 | 4/27/16             | 2000               | water           | 4560 to 4705             | 0.44                          |
| CVU #241 | 4/22/16             | 2200               | water           | 4203 to 4539             | 0.52                          |

This approval is based on the provision that the tubing size, packer setting depth and completion interval for the well(s) does not change. Any future requested pressure increase will require resubmission of additional data and/or 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 the well(s). 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 any injection permit 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,



DAVID R. CATANACH  
Director

DRC/wvjj

cc: Oil Conservation Division – Hobbs District Office  
State Land Office - Oil, Gas, and Minerals Division  
Well Files, PMX-211, PMX-121, Case 6008, Case 11650