

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-506

June 27, 2016

Administrative Application Reference No. pPRG1617953918

Mr. Alberto Gutierrez, as agent for Frontier Field Services, LLC
Geolex, Inc.
500 Marquette Ave. NW, Suite 1350
Albuquerque, NM 87102

RE: Injection Pressure Increase

Maljamar AGI Well No. 2 (API 30-025-42628)

Surface Location: 415' FSL & 2115' FEL; Unit O, Sec 21, T17S, R32E, NMPM, Lea
County, New Mexico

Permitted injection interval: Wolfcamp formation

Dear Sir:

Reference is made to your request on behalf of Frontier Field Services, LLC (OGRID 221115) received on April 28, 2016, to increase the maximum allowed surface tubing pressure on the following well:

Well No.	API Number	Order Authorizing Injection	Existing Pressure Limit, Psi	Existing Tubing OD, In.
Maljamar AGI Well No. 2	30-025-42628	R-13443-B (Case 15193)	3028	2 7/8

It is our understanding that the application for a pressure increase is requested to balance the disposal operation at this location with the associated well, the Maljamar AGI Well No. 1 (API 30-025-40420), which utilizes the same permitted injection interval. The Maljamar AGI Well No. 1 is approved, in Findings Paragraph (25) of Order No. R-13443-B, for a maximum allowed surface tubing pressure of 3200 pounds per square inch (Psi). Division also understands that this pressure increase will not result in the fracturing of the formation and the confining strata.

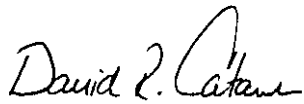
Based on the results of the submitted step rate injection tests, the following shall be the new pressure limit while equipped with **injection** tubing:

Well No.	Step Rate Test Dates	New Pressure Limit, Psi	While Injecting	Injection Interval, Feet	Pressure Gradient, Psi/ft
Maljamar AGI Well No. 2	04/14/2016 and 04/24/2016	3200	Treated acid gas	9600 to 10220	0.33

This approval is based on the provision that the tubing size, packer setting depth and completion interval for the well 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. 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 treated acid gas is not being confined to the permitted disposal interval or is endangering any fresh water aquifer.

Sincerely,



DAVID R. CATANACH
Director

DRC/prg

cc: Oil Conservation Division – Hobbs District Office
Bureau of Land Management – Carlsbad Field Office
Well File API 30-025-42628
Case File No. 15193