

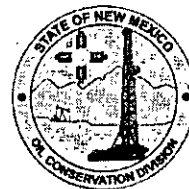
State of New Mexico
Energy, Minerals and Natural Resources Department

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-476
November 25, 2014

Mr. Sean Heaster
Chevron USA Inc.
15 Smith Road
Midland, TX 79705

RE: Injection Pressure Increase
Injection Authority: Order No. R-9714
Pool: Vacuum, Glorieta Pool (Pool code 62160)
Eight Wells in the Vacuum Glorieta West Waterflood Unit

Dear Mr. Heaster:

Reference is made to your request on behalf of Chevron USA Inc. (OGRID 4323) received by the Division on September 29, 2014, to increase the maximum allowed surface tubing pressure on eight wells within the referenced waterflood project.

These wells were permitted by the Division for waterflood in the Glorieta and Paddock formations by Division Order No. R-9714 approved September 3, 1992. Order R-9714 approved a maximum surface tubing pressure of 1200 pounds per square inch (psi) for all injection wells within the waterflood project. Since commencement of the project, two Injection Pressure Increase orders have been issued for a majority of the injection wells. This application involves eight wells in the northern portion of the project area.

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 formations and confining strata, and will not impact correlative rights of adjacent production in the same formations.

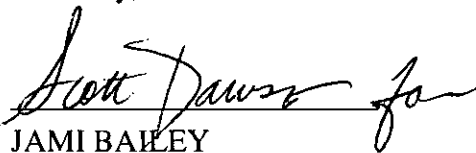
Based on a individual step-rate tests conducted for these wells, each using 2 3/8-inch tubing, you are hereby authorized to inject at the following maximum surface tubing pressure:

API No.	Well No.	ULSTR	SRT Test Date	Maximum Injection Pressure	Pressure Gradient (in psi/ft)
30-025-31833	Vacuum Glorieta West Unit No. 4	L-24-17S-34E	02/25/2014	2250 psi	0.37
30-025-31834	Vacuum Glorieta West Unit No. 5	N-24-17S-34E	12/18/2013	2050 psi	0.34
30-025-31835	Vacuum Glorieta West Unit No. 9	C-25-17S-34E	02/25/2014	2000 psi	0.34
30-025-31836	Vacuum Glorieta West Unit No. 10	N-24-17S-34E	12/19/2013	2025 psi	0.33
30-025-31837	Vacuum Glorieta West Unit No. 11	B-25-17S-34E	12/28/2013	1550 psi	0.26
30-025-31869	Vacuum Glorieta West Unit No. 27	I-26-17S-34E	02/25/2014	1810 psi	0.31
30-025-317884	Vacuum Glorieta West Unit No. 28	L-25-17S-34E	01/16/2014	2300 psi	0.39
30-025-31786	Vacuum Glorieta West Unit No. 30	J-25-17S-34E	01/16/2014	2025 psi	0.34

This approval is based on the provision that the tubing size, packer setting depth and completion interval for these wells do 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
Case No. 10516