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 David R. Catanach, Division Director
Oil Conservation Division



Administrative Order IPI-500 September 10, 2015 Administrative Application Reference No. pMAM1525158228

Mr. Ben Stone Ray Westall Operating, Inc. P.O. Box 4 Loco Hills, NM 88255

RE: <u>Injection Pressure Increase</u>

Porterhouse State Com. SWD Well No. 1 API 30-015-32682 SWD; Grayburg-San Andres Pool (Pool code: 96110)

Dear Mr. Stone:

Reference is made to your request on behalf of Ray Westall Operating, Inc. (OGRID 119305) received by the Division on September 8, 2015, to increase the maximum allowed surface tubing pressure on the above named well.

Well No.	API Number	ULSTR	Order Allowing Injection	Existing Pressure Limit, Psi	Existing Tubing OD, In.
Porterhouse State Com. SWD Well No. 1	30-015-32682	Unit A, Sec 32, T18S, R31E	SWD-1479-B	783	2-7/8

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)
Porterhouse State Com. SWD Well No. 1	8/24/15	1648	Produced water	3914 to 4250	0.42

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. It is also understood that this increase will not result in the fracturing of the formation and confining strata.

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,

DAVID R. CATANACH

Director

DRC/mam

cc: Oil Conservation Division – Artesia District Office

New Mexico State Land Office – Oil, Gas, and Minerals

Well File 30-015-32682