State of New Mexico Energy, Minerals and Natural Resources Department

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Gabriel Wade, Acting Director Oil Conservation Division HOBBS OCD

JAN 232019

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January 22, 2019

Ms. Deanna Poindexter, Operations Engineer Cross Timbers Energy, LLC 400 West Seventh Street Fort Worth, TX 76102

RE: Packer Setting Depth Exception

North Vacuum Abo Unit Well No. 145 (API 30-025-23568) Unit P, Sec 27, T17S, R34E, NMPM, Lea County, New Mexico Injection Authority: Commission Order No. R-4430 (as amended)

Permitted Interval: Abo formation

Pool: Vacuum; Abo, North (Pool code: 61760)

Ms. Poindexter:

Reference is made to your request on behalf of Cross Timbers Energy, LLC (OGRID 298299; "Cross Timbers") received by the Division on December 19, 2018, for the above named well. Cross Timbers applied for exception for setting the packer within 100 feet of the top perforation in the injection interval.

It is our understanding that Cross Timbers has requested a packer setting depth of 8442 feet below surface or approximately 133 feet above the top perforation of the injection well located at 8575 feet below surface. A packer is permanently set at 8540 feet but could not be retrieved and was abandoned in place. The tubing set to this packer had to be cut producing a tubing stub with a top at 8529 feet. As a result, Cross Timbers is requesting to install a new retrievable packer at a depth of 8442 feet.

Cross Timbers has provided a log section identifying the top of the approved interval of the pressure maintenance project, the Abo formation, at a depth of approximately 8342 feet below surface. The proposed setting depth for the new packer at 8442 feet would be approximately 100 feet below the upper contact of the Abo formation and within the approved interval.

For the reasons stated in the application and because it appears that correlative rights are protected, waste will not occur and this modification will not endanger any fresh water aquifer or the

environment, the exception is granted. The packer location within this well shall not be set higher than 133 feet above the current depth of the top perforation unless the operator receives written approval from the Division Director.

The Division Director may rescind this exception if it becomes apparent that the injected fluid is not being confined to the permitted interval or is endangering any fresh water aquifer.

Sincerely,

GABRIEL WADE Acting Director

GW/prg

cc: Oil Conservation Division - Hobbs District Office

Well File - 30-025-23568