AE Order Number Banner

Application Number: pMSG2512152327

IPI-551

Spur Energy Partners LLC [328947]

Revised March 23, 2017

RECEIVED:	REVIEWER:	TYPE:	APP NO:

ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
- Geological & Engineering Bureau –
1220 South St. Francis Drive, Santa Fe, NM 87505

ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Applicant: _____ **OGRID Number:** _____
Well Name: _____ **API:** _____
Pool: _____ **Pool Code:** _____

SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW

1) **TYPE OF APPLICATION:** Check those which apply for [A]
A. Location – Spacing Unit – Simultaneous Dedication
☐ NSL ☐ NSP(PROJECT AREA) ☐ NSP(PRORATION UNIT) ☐ SD

B. Check one only for [I] or [II]
[I] Commingling – Storage – Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM
[II] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

FOR OCD ONLY
☐ Notice Complete
☐ Application Content Complete

2) **NOTIFICATION REQUIRED TO:** Check those which apply.
A. ☐ Offset operators or lease holders
B. ☐ Royalty, overriding royalty owners, revenue owners
C. ☐ Application requires published notice
D. ☐ Notification and/or concurrent approval by SLO
E. ☐ Notification and/or concurrent approval by BLM
F. ☐ Surface owner
G. ☐ For all of the above, proof of notification or publication is attached, and/or,
H. ☐ No notice required

3) **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

_____ Date

_____ Print or Type Name

_____ Phone Number

_____ Signature

_____ e-mail Address

Spur Energy Partners, LLC

Vermejo SWD #1

Injection Pressure Increase Request

API# 30-015-40644
O-15-17S-28E
Eddy County, New Mexico

Background and History

The Vermejo SWD #1 was originally drilled in November 2012 to a depth of 8,700 feet as a Cisco salt water disposal well by Cimarex Energy Company. Stuck pipe and loss of circulation required the well be whipstocked at 7,422 feet package. The completion was otherwise uneventful with 7-inch casing shoe set at 8,130 feet. A 4.5-inch liner was set from 8,009 feet to 8,691 feet. A cement bond log was run from depth and showed a top of cement at 160 feet. Order SWD-1321 permitted injection from 8,150' to 8,500' (1,630 psi/ft standard gradient) and the well was perforated from 8,155' to 8,500', tubulars were installed with the packer set at 8,122'. After a successful mechanical integrity test, injection commenced in late December 2012. The SWD has been active since.

In January 2018 , Percussion Petroleum acquired the well as part of a larger acquisition. Percussion submitted an intent sundry to step-rate test the well and SOS Consulting submitted a request for Injection Pressure Increase to 2,446 psi (0.3 psi/ft) however, there is no record in the OCD well file of that request ever being approved nor does the OCD Online site show an IPI order for this well. In September 2018, Percussion replaced a few bad joints of tubing and returned the well to active disposal. In Both Cimarex and Percussion had salt water releases due to flowline leaks and one lightening strike. Remediations were conducted and all events were closed.

The well has been in regular use since originally configured for SWD in June 2018. Daily average rates for 7 years running were just over 3,400 bwpd. In 2020 and 2021, average daily rates dropped to <1000 bwpd but returned to previous levels throughout 2022. 2023 and 2024 were very good performance years with rates above 6,000 bwpd. Injection pressure has been at or near the allowable calculated surface pressure of 1630 psi. *(0.2 psi/ ft to uppermost injection depth of 8,150 feet.)*

Spur Energy Partners, LLC acquired the well in June 2019 and the well remains an active SWD for Spur Energy in support of its area operations. Spur expects that an increase in this SWD's capacity will result in the well's longevity and value as a reliable disposal asset for future years. A 'Notice of Intent' sundry was approved and outlined the step-rate test that was subsequently performed consistent with OCD guidelines to acquire suitable SRT data. These data were analyzed and are presented in the following pages in support of this request. (This request is submitted as supporting documentation for the Step-Rate Test 'Subsequent' sundry. Understanding the homogenous nature of the Canyon formation (as well as similar portions of Upper Pennsylvanian strata), correlating pressure data and similar SRT results including on the Aid State SWD, just over one mile to the east. *(The Aid State SWD step-rate data supported an increase to 0.35 psi/ ft gradient.)*

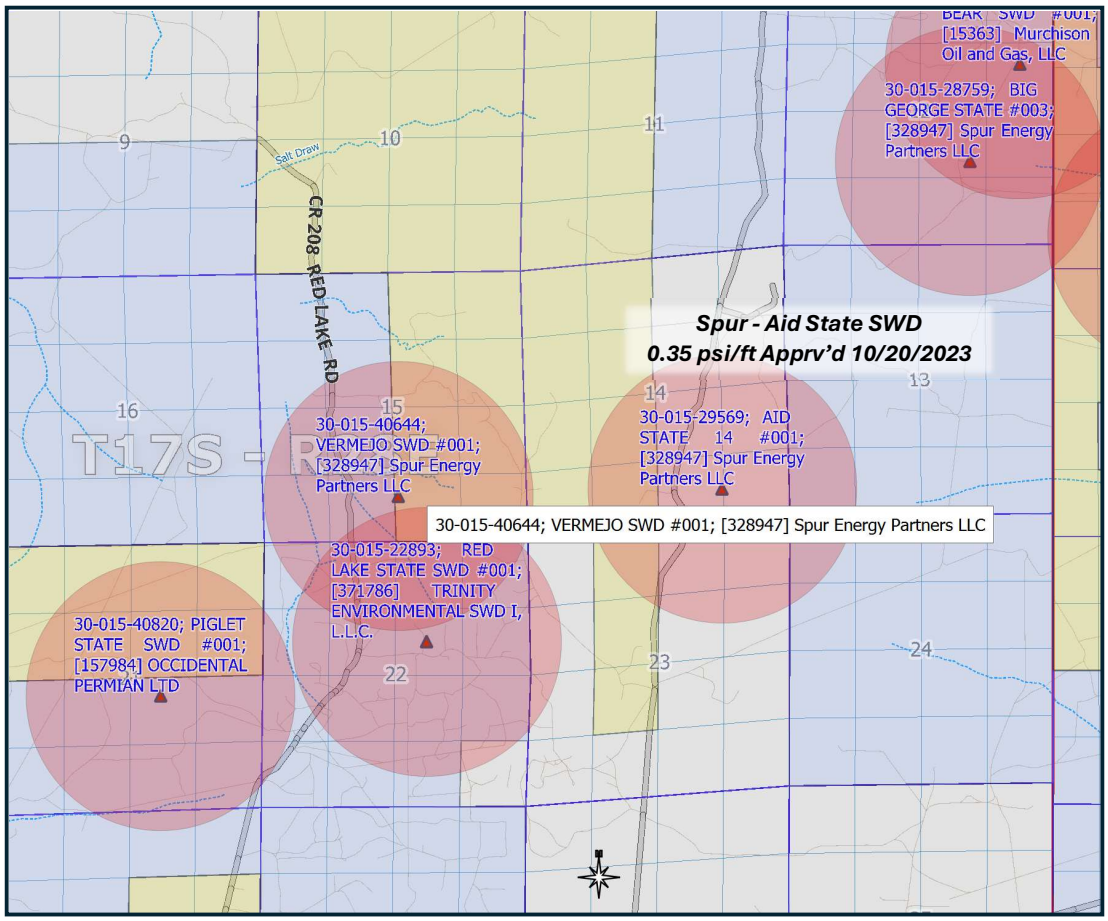
Based on the Vermejo SRT data, we hereby request a gradient of 0.33 psi/ft. This gradient will result in a new maximum surface injection pressure of **2689.5 psi**.

The procedure, job summary and all appropriate test data follow this page. A copy of the NOI sundry which includes the wellbore diagram, the original permit and other supporting documents are included herein.

Vermejo SWD #1

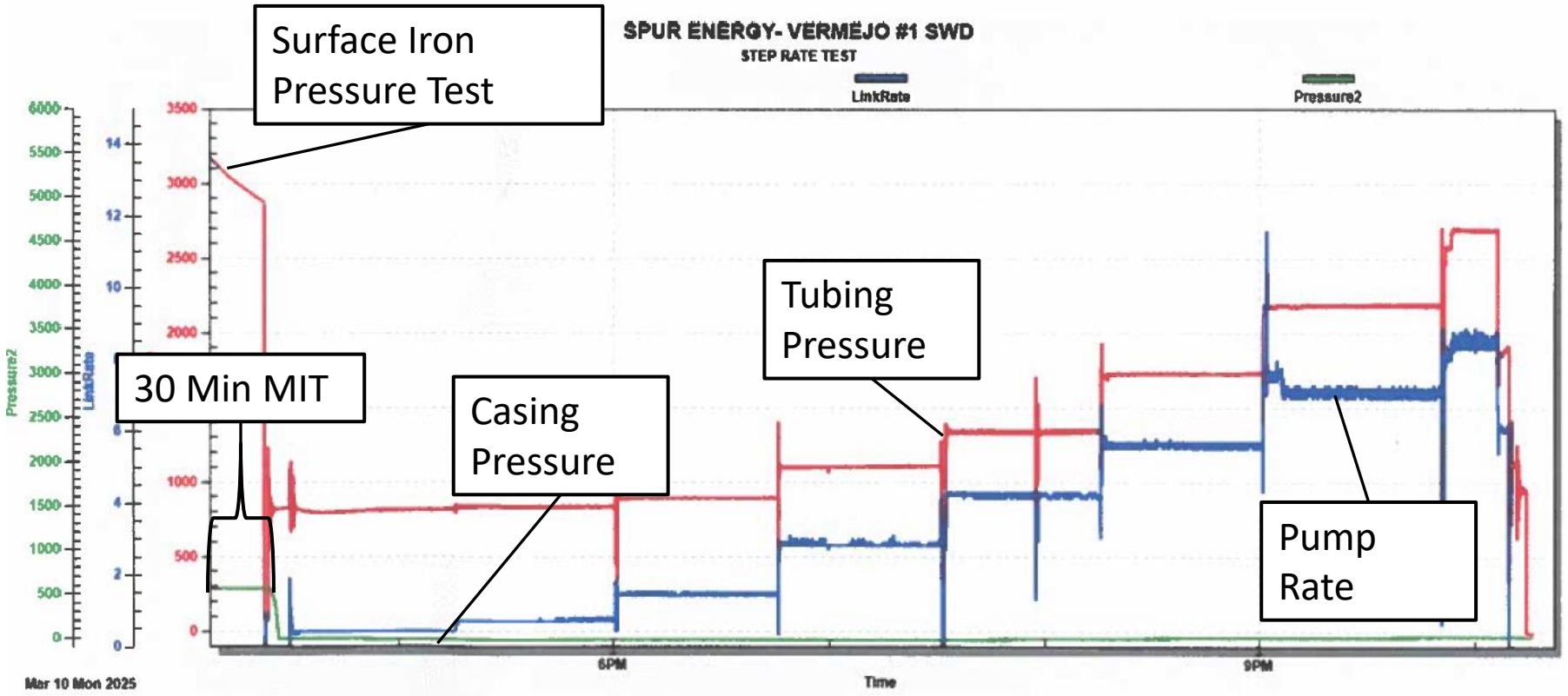
Injection Pressure Increase Request
API# 30-015-40644
O-15-17S-28E
Eddy County, New Mexico

Subject Vermejo SWD Proximity to Aid State SWD



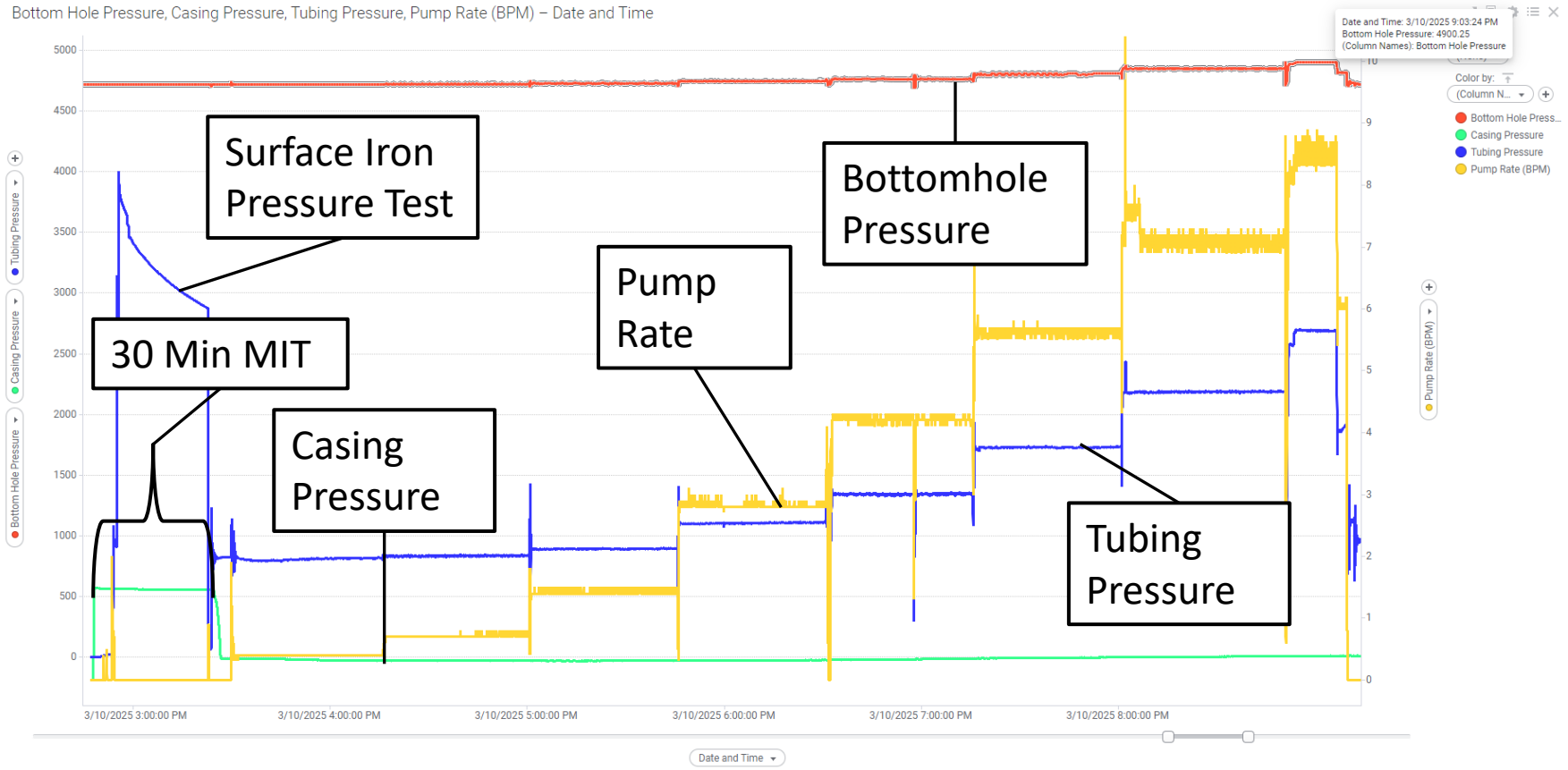
Vermejo SWD – Step Rate Test Analysis

Pump Chart


Surface Iron Pressure Test
SPUR ENERGY- VERMEJO #1 SWD
STEP RATE TEST
LinkRate
Pressure2
30 Min MIT
Casing Pressure
Tubing Pressure
Pump Rate
Pressure2
LinkRate
6PM
9PM
Time
Mar 10 Mon 2025

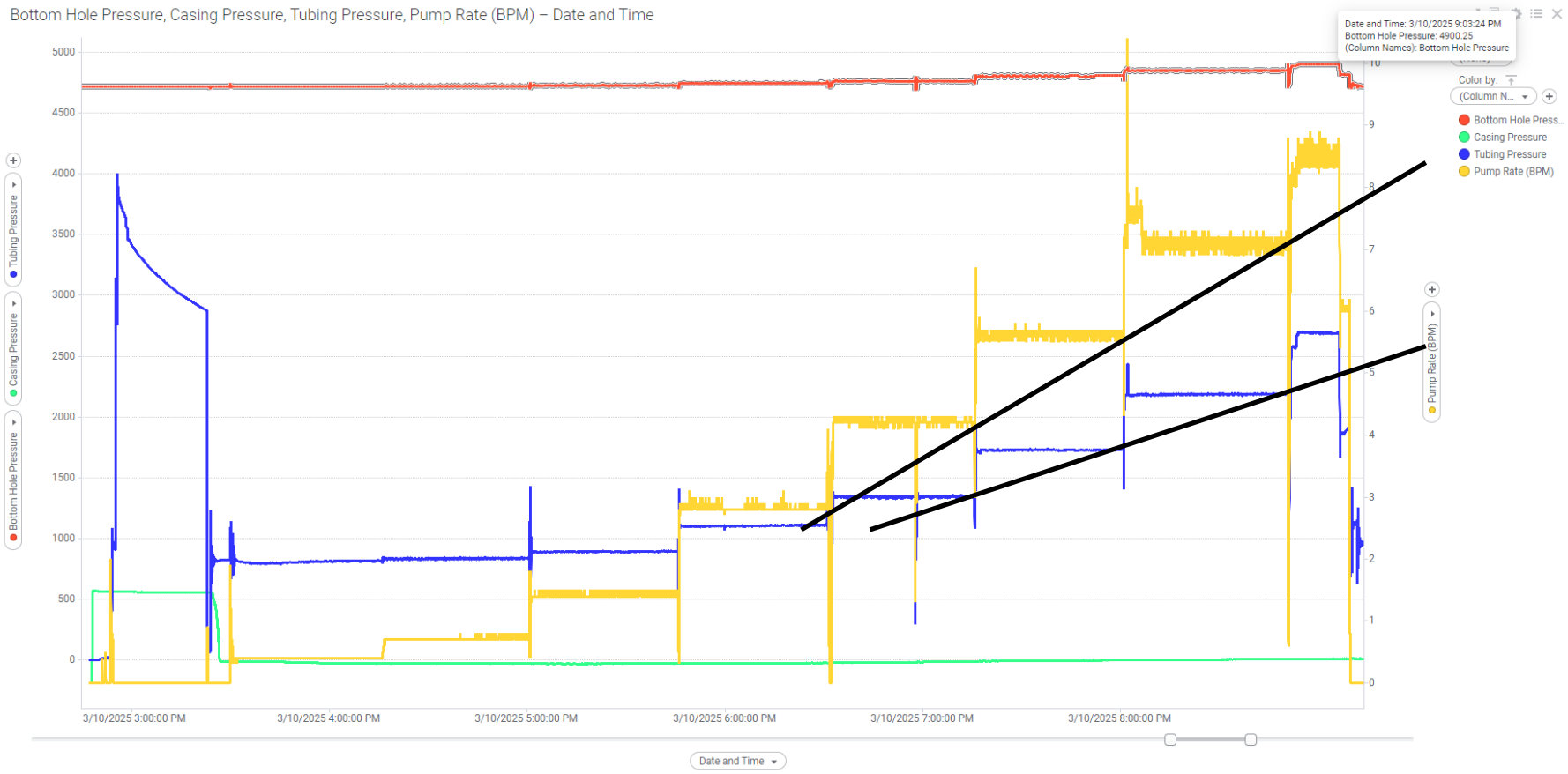
Combined Chart

- Casing transducer remaining on casing for MIT and duration of the SRT
- Final stages had to be adjusted due to running out of fluid to pump, but pressure stabilized



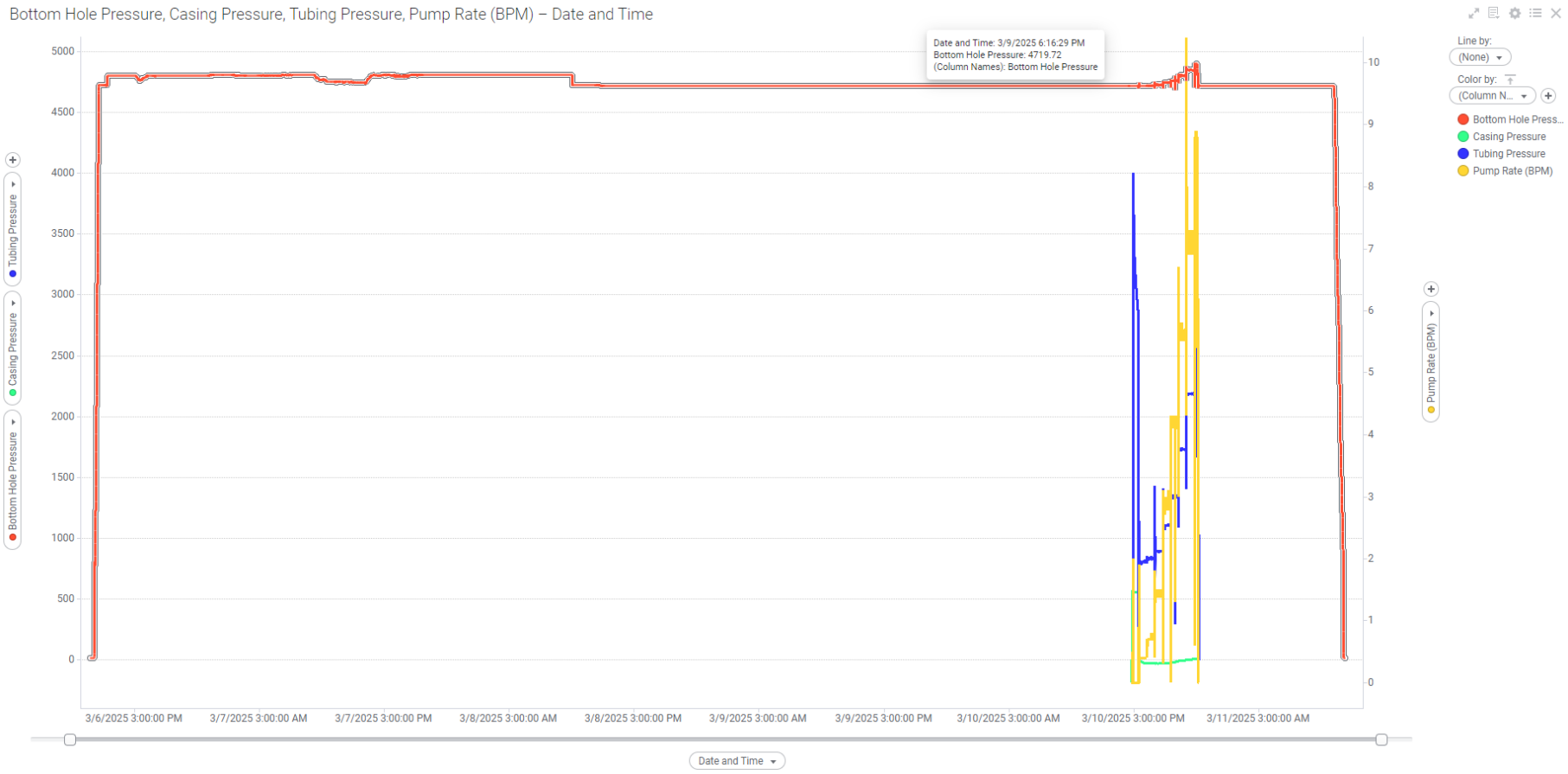
No Break Observed

- At 8.4 bpm rate, maximum BHP observed was 4850 psi, only around 132 psi over static BHP, or .016 psi/ft.
  - Very unlikely that this small pressure gradient increase would cause any formation damage



SIBHP

- 48hr SIBHP 4720 psi

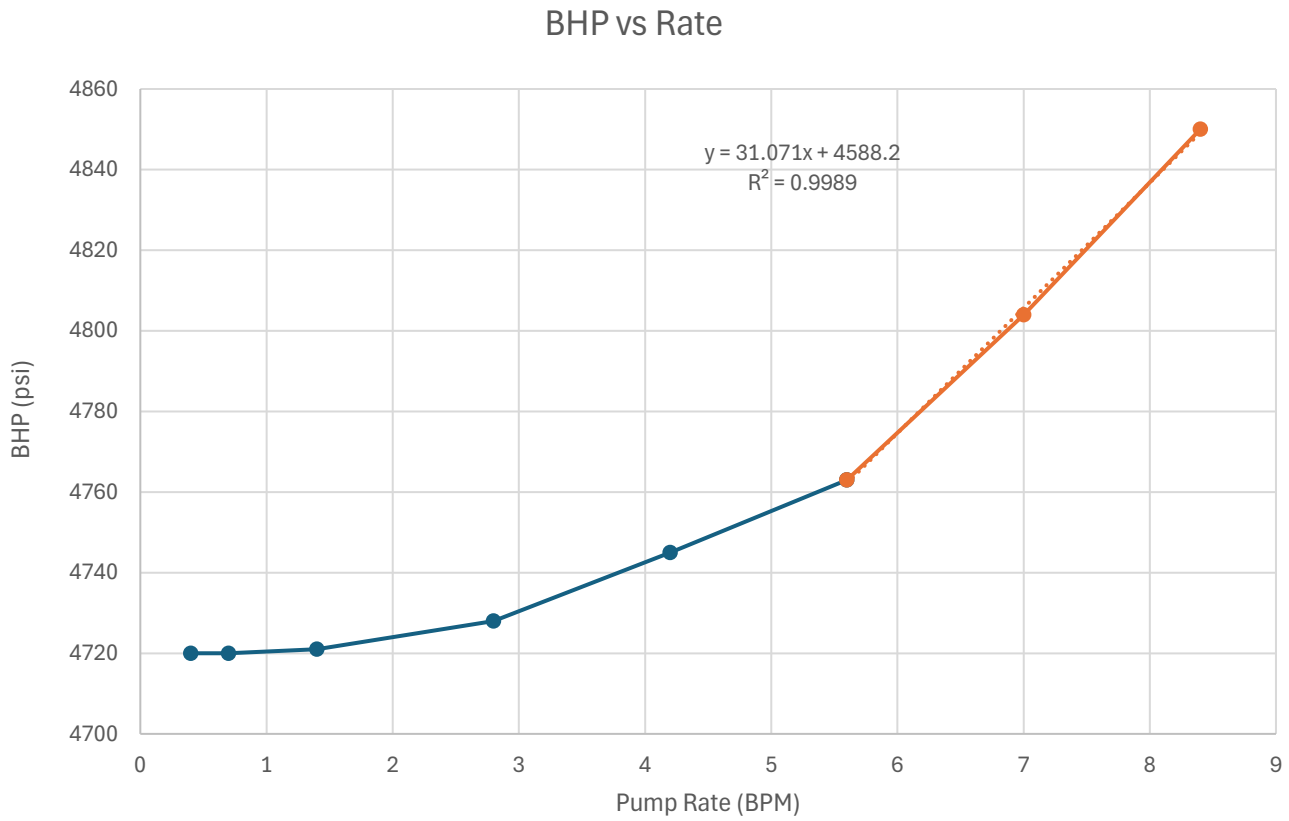


BHP with normal pump cycles

- 4808 psi BHP during normal pump cycles with surface pump injecting at 7500 BWPD @ 1,590 psi
- Pressure loss observed due to friction, very little reservoir injectivity issues

BHP vs Rate

- No decrease in BHP vs rate slope, indicating there was no break or fracturing caused in the reservoir



Rate, BHP and Injection Pressure Table

Step	Rate (BPM)	Bottom Hole Pressure (psi)	Injection Pressure (psi)
0	0.0	4720	819
1	0.4	4720	815
2	0.7	4720	835
3	1.4	4721	892
4	2.8	4728	1108
5	4.2	4745	1345
6	5.6	4763	1730
7	7	4804	2185
8	8.4	4850	2690

Vermejo SWD 30-015-40644 SRT Job Report

3/5/2025

4 frac tanks set and filled with produced water from battery. Same produced water that is currently being injected at this facility. Set BHPG with slickline.

3/6/2025

Tandem BHPG set on 1 second data, have 1mm data point capturing capability. Enough for 11.5 days.

3/8/2025

Well shut in 48hrs prior to SRT

3/10/2025

Arrived on location, Acid tech arrived on location. Rig up iron. Rig up hose to casing, pressure up to 500 psi and monitor pressure with transducer, can be seen on pump chart. 13 psi lost for 30 minute duration, last 15 minutes showed a stabilization in pressure. Casing integrity confirmed. Bleed casing off and monitor via transducer for entire job. Rig up pumps back to iron and after 30 minutes, pressure test to master valve to 4000 psi, tubing transmitter located on the tubing right above master valve. Began SRT

SITP to start 820 psi

Step 1: .4 BPM for 45 mins - tubing pressure at the end of the stage - 810

Step 2: .7 BPM for 45 mins - tubing pressure at the end of the stage - 828

Step 3: 1.4 BPM for 45 mins - tubing pressure at the end of the stage - 893

Step 4: 2.8 BPM for 45 mins - tubing pressure at the end of the stage - 1109

Step 5: 4.2 BPM for 45 mins - tubing pressure at the end of the stage – 1352

Step 6: 5.6 BPM for 45 mins - tubing pressure at the end of the stage - 1730

Step 7: 7 BPM for 45 mins - tubing pressure at the end of the stage – 2196

Step 8: 8.4 BPM for 25 mins - tubing pressure at the end of the stage – 2687

Added extra stage due to not being at max limit with 7th step. Ran out of fluid, so stage was slightly shorter at 25 minutes but injection pressure still stabilized quickly during the step.

ISIP - 1087

Rig down and move out pump.

3/11/2025

RU slickline truck and retrieve BHPG. Data sent to engineer to begin processing.

Appendix:

Original Proposed Steps:

Step Rate Test - Proposed					
Step	Time Start (mins)	Time End (mins)	Rate (BPM)	Stage Volume (Bbl)	Cumulative Volume (Bbl)
1	0	45	0.40	18	18
2	45	90	0.70	32	50
3	90	135	1.40	63	113
4	135	180	2.80	126	239
5	180	225	4.20	189	428
6	225	270	5.60	252	680
7	270	315	7.00	315	995

Adjusted Steps:

Step Rate Test - Actual					
Step	Time Start (mins)	Time End (mins)	Rate (BPM)	Stage Volume (Bbl)	Cumulative Volume (Bbl)
1	0	45	0.40	18	18
2	45	90	0.70	32	50
3	90	135	1.40	63	113
4	135	180	2.80	126	239
5	180	225	4.20	189	428
6	225	270	5.60	252	680
7	270	315	7.00	315	995
8	315	340	8.40	210	1205

API #	30-015-40644	**Vermejo Fed #1 SWD**	County, ST	Eddy County, NM
Operator	Spur Energy Partners		Sec-Twn-Rng	15-17S-28E
Field	SWD; Cisco		Footage	900' FSL & 2530' FEL
Spud Date	10/23/2012		Survey	32.8296547,-104.1635208

Formation (MD)	
San Andres	
Glorieta	
Yeso	
Bone Spring	
Wolfcamp	
Canyon	
Strawn	
Atoka	
Morrow	

RKB	3577'
GL	3559'

Hole Size	17-1/2"
TOC	surf
Method	circ returns

Csg Depth	362'
Size	13-3/8"
Weight	48#
Grade	J-55
Connections	
Cement	370sx

Hole Size	12-1/4"
TOC	surf
Method	circ return

Csg Depth	2105'
Size	9-5/8"
Weight	36#
Grade	L-80
Connections	
Cement	770sx

Tubing Detail				
Jts	Size	Depth	Length	Detail
		14	13.95	KB and Compression Corrections
1	3-1/2"	46	31.6	FG lined tubing
2	3-1/2"	60	14.25	IPC Tubing
247	3-1/2"	7,858	7798.1	FG lined tubing
1	XO	7,859	1	3-1/2" x 2-3/8" Nickel Plated XO
6	2-3/8"	8,048	188.94	IPC Tubing
1	O/O	8,050	1.84	T2 On/Off Tool
1	4-1/2"	8,056	6.51	ASX PC Packer
1	2-3/8"	8,066	10.01	Nickel Plated Pup Joint
1	2-3/8"	8,067	0.85	Profile Nipple w/ 1.43R
1	2-3/8"	8,068	0.41	Pump out Plug

Hole Size	8"
TOC	160'
Method	CBL

Csg Depth	8130'
Size	7"
Weight	26#
Grade	N-80
Connections	
Cement	830sx

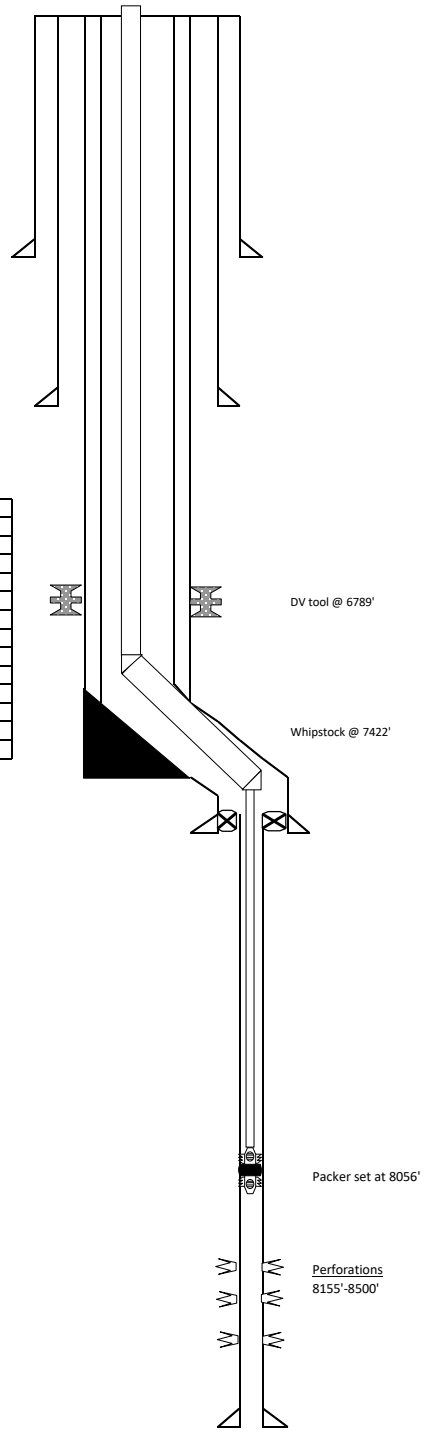
Hole Size	6-1/8"
TOC	8009'
Method	Circ

LINER

Csg Depth	8009'-8691'
Size	4-1/2"
Weight	11.6#
Grade	L-80
Connections	
Cement	830sx

PBTD	8640'
TD MD	8700'
TD TVD	8699'

Last Update	3/25/2022
By	RCB



Phone: (505) 476-3441
General Information
Phone: (505) 629-6116

Online Phone Directory Visit:
https://www.emnrd.nm.gov/ocd/contact-us/

State of New Mexico
Energy, Minerals and Natural Resources

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-103
Revised July 18, 2013

WELL API NO. 30-015-40644

5. Indicate Type of Lease STATE ☐ FEE ☐

6. State Oil & Gas Lease No.

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

7. Lease Name or Unit Agreement Name: VERMEJO SWD

1. Type of Well: Oil Well ☐ Gas Well ☐ Other SWD

8. Well Number 1

2. Name of Operator: SPUR ENERGY PARTNERS LLC

9. OGRID Number: 328947

3. Address of Operator: 9655 KATY FREEWAY, SUITE 500, HOUSTON, TX 77024

10. Pool name or Wildcat: SWD; CISCO

4. Well Location
Unit Letter O : 900 feet from the SOUTH line and 2530 feet from the EAST line
Section 15 Township 17S Range 28E NMPM EDDY County

11. Elevation *(Show whether DR, RKB, RT, GR, etc.)*: 3559' GR

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:				SUBSEQUENT REPORT OF:			
PERFORM REMEDIAL WORK	☐	PLUG AND ABANDON	☐	REMEDIAL WORK	☐	ALTERING CASING	☐
TEMPORARILY ABANDON	☐	CHANGE PLANS	☒	COMMENCE DRILLING OPNS.	☐	P AND A	☐
PULL OR ALTER CASING	☐	MULTIPLE COMPL	☐	CASING/CEMENT JOB	☐		
DOWNHOLE COMMINGLE	☐						
CLOSED-LOOP SYSTEM	☐						
OTHER:	☐			OTHER:			☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Spur Energy Partners LLC requests to perform a step rate test to determine if injection pressure can be raised without fractuing the formation.

Please find proposed procedure and other documentation attached for your review.

Spud Date: | Rig Release Date:

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Sarah Chapman TITLE REGULATORY DIRECTOR DATE 01/07/2025

Type or print name SARAH CHAPMAN E-mail address: PHONE: 832-930-8613

For State Use Only

APPROVED BY: TITLE DATE

Conditions of Approval (if any):

Vermejo SWD #1

Step Rate Test
Hunter Spragg – 817.914.0987
AFE – TBD

NW Shelf
Eddy County, NM

OBJECTIVES

Perform a step rate test on the Vermejo SWD to determine if injection pressure can be raised without fracturing the formation. 45-minute steps chosen due to lower permeability but a perforated interval of only 350' and also the stabilization seen within 30 minutes in the SRT that was performed by the previous operator.

- Estimated BHP Bomb set date – 5/3/2024
- Estimated Well SI date - 5/5/2024
- Estimated SRT and Pressure Bomb retrieval date - 5/7/2024 (minimum of 48 hours after well is shut in)

Well Information	
Surface Location (NAD83)	Latitude: 32.8300247° / Longitude: -104.1427078°
Ground Elevation / KB	3,637' / 19'
API Number	30-015-29569
AFE Number	**TBD**

Wellbore Details	
TVD / PBTD	TVD: 10,540' / PBTD: 8,830'
Perforations MD'	***OH from 8,304' - 8,831'***

Casing & Tubing Details - Current/Planned

Size	Depth *(MD)*	Weight *lb/ft*	Grade	ID *In*	Drift *In*	Thread	Burst *psi*	Collapse *psi*	Yield *Mlbs*	Cap *bbl/ft*
5.500" *csg*	0' – 8,304'	17.0	J-55	4.892	4.767	STC	5,320	4,910	234	0.023
2.875" IPC *tbg*	0' – 8,213'	6.5	L-80	2.411	2.317	EUE 8RD	10,570	11,160	144	0.00579

PROCEDURE

Spur Energy Partners LLC is committed to providing a safe working environment for all personnel. A safety meeting will be held prior to commencing each operation in order to define/clarify objectives, roles and responsibilities, identify all potential risk/hazards and establish a work procedure that is safe and environmentally sound. Meetings are to be documented on the reports returned to Spur Energy Partners LLC.

PERFORM SAFETY CHECKS AND SAFETY MEETING

1. Perform a safety meeting prior to rigging up **ANY** equipment on location. Discuss the job procedure and objective with all personnel on location. Document the safety meeting on the daily report sent to Spur. Make note of all potential risks/hazards, and clearly identify an emergency route and emergency vehicle. Also make note of any new or inexperienced personnel on location. Ensure proper Personal Protective Equipment (PPE) is used during the job. Minimums are hard hats, steel toes, safety glasses, H_2S monitors, and FR certified clothing as required. Designate a smoking area off location and 100' from any potential hydrocarbons.

Preparation

1. Set 3 - 500 bbl Frac tanks on location and begin filling with produced water from the facility. Do not use fresh water or produced water from any of the other surrounding facilities. Fill completely. Leave hoses attached to water tanks at the facility so water in water tanks can be utilized at the end of the test if needed.

2. Replace all wellhead valves with 3k rated valves.

72 hours before SRT

3. Notify OCD and BLM representative that SRT is planned to occur in 72 hours.

4. Notify OCD that a MIT will be ran with the pump truck and recorded in the data van on the date of the SRT. Ask if a chart recorder is required, if so, ensure one is on location for the day of the SRT.

5. MIRU Precision Pressure Data Slickline truck and crane, utilize a lubricator for well control.

6. Run in hole with BHP Bomb and set at 8,056' from surface on top of the 1.5F profile nipple.

    a) Ensure bomb is rated to 10k psi or greater and can collect 1 million data points and is set to collect data 1 time every second. This will give us 11.5 days of data collection in case we occur any delays.

48 hours before SRT

7. Shut in well and isolate injection line. Ensure 0 injection is able to occur.

Step Rate Test Procedure

8. RU pump and manifold all 3 frac tanks together. Run 1 - 2" injection lines.

    a) RU an injection line and pressure transmitter to the production casing-tubing annulus and pressure up to 500 psi and preform an MIT.

        i. Have the service company save and export this data, call this file "Vermejo SWD MIT prior to SRT" and clear the data and prepare for SRT data collection.

    b) Ensure pumps can pump can output 10 bpm at 3000 psi.

    c) Max pressure limit for this job is 3000 psi.

    d) Install pressure transmitters on the tubing, not the discharge of the pump, and another transmitter on the production casing.

    e) A turbine meter is to be used to measure injection rate.

    f) Rig injection line up to the tubing.

9. Close bottom master valve and open all other valves and test Iron and wellhead to 3000 psi.

10. Open lower master valve and begin step rate test. Follow the below schedule exactly. Do not stop injection. Do not alter schedule. Steps need to be exactly at prescribed rates and for exactly 45 minutes unless:

    a) Breakdown is observed and 2 more steps passed that are not in the schedule.

        i. If this is the case and there is pressure headroom, we will divide the remaining pressure rating of the wellhead by number of remaining steps needed to get to 3 and add 1 and target a starting pressure for those remaining step instead of rate.

            1. I.e. Stage 6 break is observed at 2500 psi and wellhead is rated to 3000 psi. 3000-2500 = 500 psi. 2 more stages needed, add one. 500/3= 166 psi. Stage 7 should be started at 2666 psi and stage 8 started at the end of stage 7 pressure plus 166 psi. Rate is to be held steady through the remainder of the stage. Stage length is to be the same as the previous stages.

        ii. If there is no more pressure headroom available, hold the rate steady for the amount of time equivalent to running the needed number of extra stages add notes in stage notes.

            1. I.e. if breakdown is observed on stage 6, and the ending pressure of stage 6 is 2950 psi and wellhead is rated to 3000 psi, keep the same rate of stage 6 for stage 7 and 8.

Step Rate Test - Proposed					
Step	**Time Start (mins)**	**Time End (mins)**	**Rate (BPM)**	**Stage Volume (Bbl)**	**Cumulative Volume (Bbl)**
1	**0**	**45**	**0.40**	**18**	**18**
2	**45**	**90**	**0.70**	**32**	**50**
3	**90**	**135**	**1.40**	**63**	**113**
4	**135**	**180**	**2.80**	**126**	**239**
5	**180**	**225**	**4.20**	**189**	**428**
6	**225**	**270**	**5.60**	**252**	**680**
7	**270**	**315**	**7.00**	**315**	**995**

11. RD pump and iron.

12. MIRU Slickline unit and crane if required.

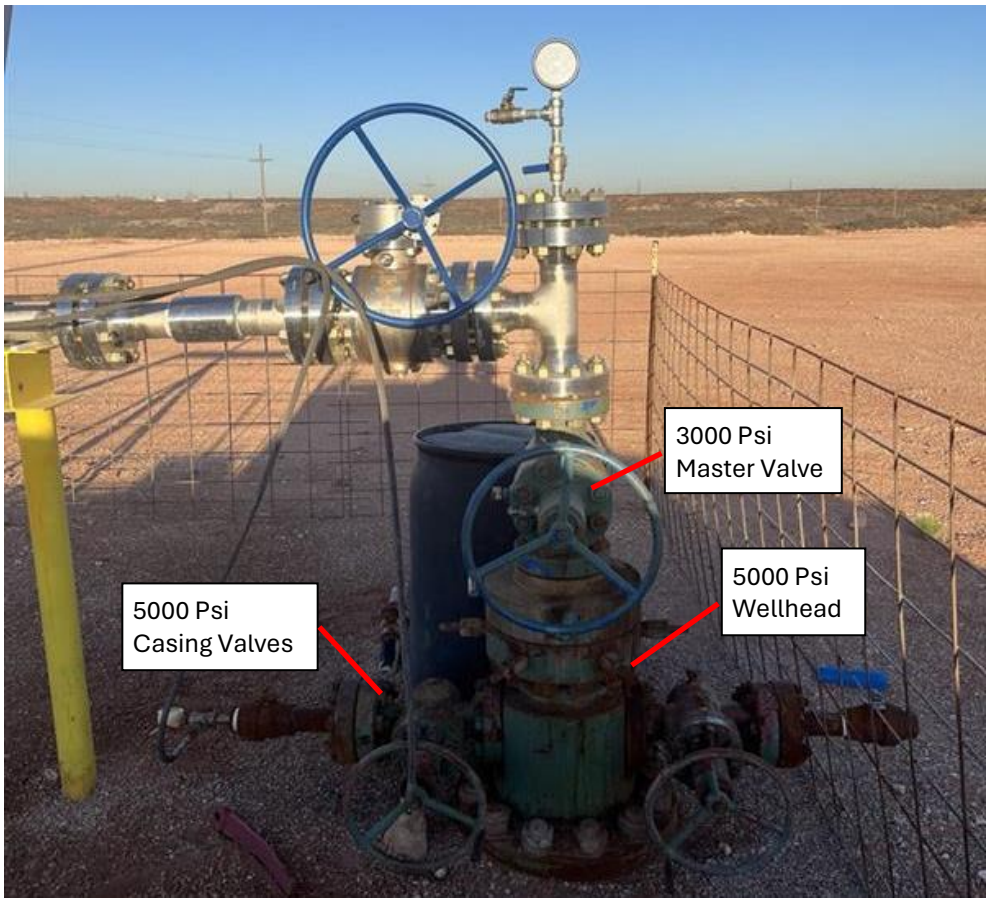
13. RIH to 8,056’ to retrieve the BHP Bomb. Send all data to Engineer.

Appendix

Current Tubing Detail

Current Tubing String									
Tubing Description: Tubing - Production					Set Depth (ftKB): 8,067.7		Run Date: 3/23/2022		
Item Des	Grade	Wt (lb/ft)	OD (in)	ID (in)	Len (ft)	Jts	Cum Len (ft)	Top (ftKB)	Btm (ftKB)
ADJUSTED KB FOR FLOOR HEIGHT					16.00		8,073.80	-6.1	9.9
TUBING HANGAR			4 1/2	3.50	1.00	1	8,057.80	9.9	10.9
3 1/2 FG LINED TBG	L-80	9.30	3 1/2	2.65	31.60	1	8,056.80	10.9	42.5
3 1/2 IPC PONY SUBS	L-80	9.30	3 1/2	2.65	14.25	2	8,025.20	42.5	56.7
3 1/2 FG LINED TBG	L-80	9.30	3 1/2	2.65	7,801.39	247	8,010.95	56.7	7,858.1
3 1/2 X 2 3/8 X-OVER	L-80		3 1/2		1.00	1	209.56	7,858.1	7,859.1
2 3/8 IPC TBG	L-80	4.70	2 3/8	1.98	188.94	6	208.56	7,859.1	8,048.1
T2 ON/OFF TOOL W/1.50F SS PROFILE NIPPLE			2 3/8	1.50	1.84	1	19.62	8,048.1	8,049.9
4 1/2 X 2 3/8 ASX PACKER			4 1/2	1.94	6.51	1	17.78	8,049.9	8,056.4
2 3/8 NICKEL PLATED PUP JT	L-80	4.70	2 3/8	2.00	10.01	1	11.27	8,056.4	8,066.4
LANDING NIPPLE W/1.43R PROFILE			2 3/8	1.43	0.85	1	1.26	8,066.4	8,067.3
2 3/8 POP W/4 PINS 565 PSI EACH			2 3/8	1.99	0.41	1	0.41	8,067.3	8,067.7

Wellhead



Sante Fe Main Office
Phone: (505) 476-3441

General Information
Phone: (505) 629-6116

Online Phone Directory
https://www.emnrd.nm.gov/ocd/contact-us

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Operator: Spur Energy Partners LLC 9655 Katy Freeway Houston, TX 77024	OGRID: 328947
	Action Number: 417908
	Action Type: [C-103] NOI Change of Plans (C-103A)

CONDITIONS

Created By	Condition	Condition Date
mgebremichael	Since the wellhead rating is 3000 Psi, the maximum testing pressure shall not exceed 2700 psi.	2/3/2025

State of New Mexico
Energy, Minerals and Natural Resources Department

Administrative Order SWD-1321
March 12, 2012

ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION

Under the provisions of 19.15.26.8B NMAC, Cimarex Energy Co. of Colorado seeks an administrative order to utilize its proposed Vermejo SWD Well No. 1 (API 30-015-NA) to be located 900 feet from the South line and 2530 feet from the East line, Unit letter O of Section 15, Township 17 South, Range 28 East, NMPM, Eddy County, New Mexico, for produced water disposal purposes.

THE DIVISION DIRECTOR FINDS THAT:

The application has been duly filed under the provisions of 19.15.26.8B NMAC and satisfactory information has been provided that affected parties as defined in said rule have been notified and no objections have been received within the prescribed waiting period. The applicant has presented satisfactory evidence that all requirements prescribed in 19.15.26.8 NMAC have been met and the operator is in compliance with 19.15.5.9 NMAC.

IT IS THEREFORE ORDERED THAT:

The applicant, Cimarex Energy Co. of Colorado, is hereby authorized to utilize its proposed Vermejo SWD Well No. 1 (API 30-015-NA) to be located 900 feet from the South line and 2530 feet from the East line, Unit letter O of Section 15, Township 17 South, Range 28 East, NMPM, Eddy County, New Mexico, for disposal of oil field produced water (UIC Class II only) into the Cisco formation through perforations from approximately 8150 feet to 8500 feet through lined tubing and a packer set less than 100 feet above the permitted disposal interval.

As preparation and prior to disposal, the operator shall swab test the disposal interval, both to test for hydrocarbon production potential and to obtain a formation water sample for analysis. The water analysis and results of the swab test shall be supplied to the Division.

IT IS FURTHER ORDERED THAT:

The operator shall take all steps necessary to ensure that the disposed water enters only the proposed disposal interval and is not permitted to escape to other formations or onto the surface.

After installing tubing, the casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge or an approved leak detection device in order to determine leakage in the casing, tubing, or packer. The casing shall be pressure tested from the surface to the packer setting depth to assure casing integrity.

The well shall pass an initial mechanical integrity test ("MIT") prior to initially commencing disposal and prior to resuming disposal each time the disposal packer is unseated. All MIT testing procedures and schedules shall follow the requirements in Division Rule 19.15.26.11A. NMAC.

The wellhead injection pressure on the well shall be limited to **no more than 1630 psi**. In addition, the disposal well or system shall be equipped with a pressure limiting device in workable condition which shall, at all times, limit surface tubing pressure to the maximum allowable pressure for this well.

The Director of the Division may authorize an increase in tubing pressure upon a proper showing by the operator of said well that such higher pressure will not result in migration of the disposed fluid from the target formation. Such proper showing shall be demonstrated by sufficient evidence including but not limited to an acceptable Step-Rate-Test.

The operator shall notify the supervisor of the Division's district office of the date and time of the installation of disposal equipment and of any MIT test so that the same may be inspected and witnessed. The operator shall provide written notice of the date of commencement of disposal to the Division's district office. The operator shall submit monthly reports of the disposal operations on Division Form C-115, in accordance with Division Rules 19.15.26.13 and 19.15.7.24 NMAC.

Without limitation on the duties of the operator as provided in Division Rules 19.15.29 and 19.15.30 NMAC, or otherwise, the operator shall immediately notify the Division's district office of any failure of the tubing, casing or packer in the well, or of any leakage or release of water, oil or gas from around any produced or plugged and abandoned well in the area, and shall take such measures as may be timely and necessary to correct such failure or leakage.

The injection authority granted under this order is not transferable except upon division approval. The division may require the operator to demonstrate mechanical integrity of any injection well that will be transferred prior to approving transfer of authority to inject.

The division may revoke this injection permit after notice and hearing if the operator is in violation of 19.15.5.9 NMAC.

The disposal authority granted herein shall terminate two years after the effective date of this order if the operator has not commenced injection operations into the subject well. One year after the last date of reported disposal into this well, the Division shall consider the well abandoned, and the authority to dispose will terminate *ipso facto*. The Division, upon written request mailed by the operator prior to the termination date, may grant an extension thereof for good cause.

Compliance with this order does not relieve the operator of the obligation to comply with other applicable federal, state or local laws or rules, or to exercise due care for the protection of fresh water, public health and safety and the environment.

Jurisdiction is retained by the Division for the entry of such further orders as may be necessary for the prevention of waste and/or protection of correlative rights or upon failure of the operator to conduct operations (1) to protect fresh or protectable waters or (2) consistent with the requirements in this order, whereupon the Division may, after notice and hearing, terminate the disposal authority granted herein.

JAMI BAILEY
Director

JB/wvjj

cc: Oil Conservation Division – Artesia
Bureau of Land Management – Carlsbad

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State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
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Operator: Spur Energy Partners LLC 9655 Katy Freeway Houston, TX 77024	OGRID: 328947
	Action Number: 457768
	Action Type: [IM-SD] Admin Order Support Doc (ENG) (IM-AAO)

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Created By	Condition	Condition Date
mgebremichael	None	5/1/2025