

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



June 4, 2014

Mr. Kyle Combest
Nabors Completion and Production Services Company
330 N. "A" Street, Building 2
Suite 200
Midland, TX 79705

RE: Packer Setting Depth Exception

Injection Authority: Administrative Order SWD-223
Pool: SWD; San Andres formation
State AB SWD Well No. 1 API 30-025-23786
Unit C, Sec 3, T19S, R37E, NMPM, Lea County, New Mexico

Mr. Combest:

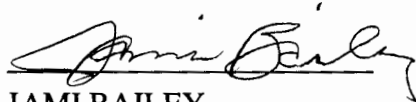
Reference is made to your request on behalf of Nabors Completion and Production Services Company (OGRID 295925; "Nabors") received by the Division on June 2, 2014, for the above named well. Nabors applied for exception for setting the packer within 100 feet of the top of the approved injection interval.

It is our understanding that during the completion of a mechanical integrity testing conducted in May on this well that the packer set was determined to be at a depth of 4517 feet. The packer was installed at this location in order to achieve proper seating of the packer set. This location of the packer is approximately 380 feet above the top of the perforated injection interval that begins at 4897 feet. The packer set at a depth of 4517 feet is below the upper contact of the San Andres formation at 4125 feet. Administrative Order SWD-223 approved on May 5, 1980, authorized injection through perforations from 4897 feet to 4919 feet.

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 380 feet 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,



JAMI BAILEY
Director

JB/prg

cc: Oil Conservation Division – Hobbs Office
Administrative Order SWD-223
Well File API 30-025-23786
State Land Office – Oil, Gas and Minerals Division