

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John Bemis
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey
Division Director
Oil Conservation Division



Administrative Order IPI-429
December 14, 2012

Cameron Oil & Gas, Inc.
C/o Mr. Ben Stone, Agent
PO Box 300
Como, TX 75431

RE: Injection Pressure Increase

Disposal Permit: SWD-1342-A Formations: Glorieta, Drinkard, and Abo
Gulf State Well No. 2 API: 30-025-28425
Unit N, Sec 2, T23S, R37E, NMPM, Lea County, New Mexico

Dear Mr. Stone:

Reference is made to your request on behalf of Cameron Oil & Gas, Inc. (OGRID 181109) to increase the maximum allowed surface tubing pressure on the above named well.

This well was permitted by the Division for water disposal into the Glorieta, Drinkard, and Abo formations by Division administrative permit SWD-1342-A approved September 21, 2012. That permit allowed disposal into the Glorieta formation from 5130 feet to 5394 feet and into the Drinkard and Abo formations from 6499 feet to 7049 feet with a maximum disposal tubing pressure of 1026 psi.

It is our understanding that this well will not take a sufficient volume of fluid at the current pressure limit and a higher pressure limit is needed. It is also understood that an increase will not result in the fracturing of the formation and confining strata.

Based on a step rate test for this well run December 7, 2012, you are hereby authorized to inject at the following maximum surface tubing pressure:

Gulf State Well No. 2 API 30-025-28425 1358 psi

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. 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/wvjj

cc: Oil Conservation Division – Hobbs District Office
Files: SWD-1342-A and 30-025-28425