

State of New Mexico  
Energy, Minerals and Natural Resources Department

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**Susana Martinez**  
Governor

**David Martin**  
Cabinet Secretary-Designate

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

**Jami Bailey**, Division Director  
Oil Conservation Division



Administrative Order IPI-436  
July 26, 2013

Linn Operating, Inc.  
600 Travis, Suite 5100  
Houston, Texas 77002  
Attn: Terry Callahan

**RE: Injection Pressure Increase**  
Caprock Maljamar Unit Waterflood Project  
Pool: Maljamar; Grayburg-San Andres (Pool Code: 43329)  
Six Injection Wells in Sec 28, T17S, R33E, NMPM, Lea County, New Mexico

Dear Terry Callahan:

Reference is made to your request on behalf of Linn Operating, Incorporated (OGRID 1269324) received by the Division on May 6, 2013, to increase the maximum allowed surface tubing pressure for six injection wells within the Caprock Maljamar Unit project area.

These wells were permitted by the Division as part of a waterflood project in the Maljamar; Grayburg-San Andres pool under Division Order R-10094 approved April 5, 1994. That order authorized expansion of the waterflood project area and provides the Director with the ability to administratively permit an increase in pressure limitations based on results of formation testing.

It is our understanding that these wells 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 the Caprock Maljamar Unit Well No. 98 completed on April 26, 2013, through 2-3/8 inch tubing, you are hereby authorized to inject at the following **maximum surface tubing pressure (in psig) for the following unit wells:**

API Number	Well Name and Number	Letter Unit	Sec	Township	Range	Approved Max Pressure
30-025-01525	Caprock Maljamar Unit No. 98	M	28	17S	33E	2082
30-025-01527	Caprock Maljamar Unit No. 90	E	28	17S	33E	2082
30-025-01532	Caprock Maljamar Unit No. 99	N	28	17S	33E	2082
30-025-01537	Caprock Maljamar Unit No. 101	P	28	17S	33E	2082
30-025-01538	Caprock Maljamar Unit No. 100	O	28	17S	33E	2082
30-025-34193	Caprock Maljamar Unit No. 283	O	28	17S	33E	2082

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/prg

cc: Oil Conservation Division – Hobbs  
State Land Office – Oil, Gas and Minerals Division  
Case File 10932