

State of New Mexico
Energy, Minerals and Natural Resources Department

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-462
February 7, 2014

Ms. Carolyn Haynie
Chevron Midcontinent LP
15 Smith Road
Midland, TX 79705

RE: Injection Pressure Increase

Injection Permit: Administrative Order WFX-835
Pool: Vacuum; Grayburg-San Andres Pool (Pool code: 62180)
Central Vacuum Unit Well No. 458 API 30-025-38640
Unit A, Sec 36, T17S, R34E, NMPM, Lea County, New Mexico

Dear Ms. Haynie:

Reference is made to your request on behalf of Chevron, USA, Inc. (OGRID 4323) received by the Division on January 8, 2014, to increase the maximum allowed surface tubing pressure on the above named well.

This well was permitted by the Division for tertiary recovery in the San Andres formation by Division Order R-5530-E and, specifically, Administrative Order WFX-835 approved April 14, 2008. The Administrative Order permitted the expansion of the Central Vacuum Unit Tertiary Recovery Project and approved the injection of produced water alternating with gas (carbon dioxide and produced gases) into the San Andres formation from approximately 4300 feet to 4800 feet. The Division order allowed a maximum surface injection pressure of 1500 pounds per square inch gauge (psig) for water and 1850 psig for gas.

It is our understanding that the applicant is requesting an increase in the maximum surface injection pressure for water only in order to enhance the tertiary recovery process. 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 conducted December 18, 2013, through 2 3/8-inch tubing, you are hereby authorized to inject at the following maximum surface tubing pressure:

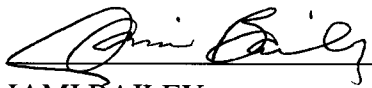
Central Vacuum Unit Well No. 458 API 30-025-38640 1875 psig for water only

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,

A handwritten signature in black ink, appearing to read "Jami Bailey", written over a horizontal line.

JAMI BAILEY
Director

JB/prg

cc: Oil Conservation Division – Hobbs
State Land Office – Oil, Gas and Minerals Division
WFX-835