

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

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Deputy Cabinet Secretary

Jami Bailey, Division Director
Oil Conservation Division



Administrative Order IPI-465
March 12, 2014

Celero Energy II, LP
400 West Illinois, Suite 1601
Midland, Texas 79701
Attn: M.W. Metza

RE: Injection Pressure Increase

Injection Authority: Administrative Order WFX-73 and Division Order No. R-1541 (as amended)

Pool: Caprock; Queen (Chaves) Pool (Pool code 8551)

Rock Queen Unit Well No. 19

API 30-005-00820

Unit letter J, Sec 23, T13S, R31E, NMPM, Chaves County, New Mexico

Dear Mr. Metza:

Reference is made to your request on behalf of Celero Energy II, LP (OGRID 247128) received by the Division on January 30, 2014, to increase the maximum allowed surface tubing pressure on the above named well.

The original injection authority for this well was issued under Administrative Order WFX-73 and later authorized for water alternating gas (WAG) injection in the Queen formation under Ordering Paragraph (1) of Division Order R-1541-B. Division Order No. R-1541 and the subsequent amendments expanded the Rock Queen Unit (CO₂) Tertiary Recovery Project within the existing Rock Queen Waterflood Unit. Due to an accumulation of junk within the original casing, this well was sidetracked and recompleted with perforations from 3058 feet to 3072 feet. Under Division Order R-1541-C, the maximum surface injection pressure is 800 psi for water and 1200 psi for gas.

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 conducted on October 23, 2013, through 2 3/8-inch tubing, you are hereby authorized to inject at the following maximum surface tubing pressure:

Rock Queen Unit Well No. 19 API 30-005-00820 1100 psig for water; 1450 psig for gas

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 District Office
State Land Office – Oil, Gas and Minerals Division
Case File No. 14942