

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-431
March 24, 2013

Mr. Ben Stone, Agent
Strata Production Company
1301 North Sycamore Avenue
Roswell, NM 88201

RE: Injection Pressure Increase

Disposal Permit: SWD-845 Pool: SWD; Bell Canyon-Cherry Canyon
Forty Niner Ridge Unit Well No. 1 API 30-015-20899
Unit J, Sec 16, T23S, R30E, NMPM, Eddy County, New Mexico

Dear Mr. Stone:

Reference is made to your request on behalf of Strata Production Company (OGRID 21712) received by the Division on March 11, 2013, to increase the maximum allowed surface tubing pressure on the above named well.

This well was permitted by the Division for water disposal in the Bell Canyon and Cherry Canyon members of the Delaware Mountain Group by Division administrative order SWD-845 approved September 10, 2002. That permit allowed disposal through perforations from 4433 feet to 5952 feet at a maximum surface disposal pressure of 886 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.

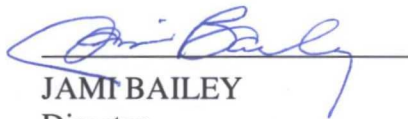
Based on a step rate test for this well run February 5, 2013, you are hereby authorized to inject at the following maximum surface tubing pressure:

Forty Niner Ridge Unit Well No. 1 API 30-015-20899 1500 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 – Artesia
File: SWD-845