

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-311-A
March 24, 2013

Mr. Dennis R. Reimers
Maralex Disposal LLC
PO Box 338
Ignacio, CO 81137

RE: Injection Pressure Increase

Disposal Permit: SWD-1005 Pool: SWD; Morrison, Bluff, Entrada
Center Point SWD Well No. 1 API 30-045-33464
Unit P, Sec 24, T31N, R11W, NMPM, San Juan County, New Mexico

Dear Mr. Reimers:

Reference is made to your request on behalf of Maralex Disposal LLC (OGRID 193838) received by the Division on February 18, 2013, 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 Morrison, Bluff, and Entrada formations by Division administrative Order SWD-1005 approved December 1, 2005. That permit allowed disposal through perforations from 7100 feet to 8200 feet at a maximum surface disposal pressure of 1420 psi. The Division subsequently issued administrative Order IPI-311 on January 21, 2009, allowing disposal at pressures up to 2000 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 July 18, 2012, you are hereby authorized to inject at the following maximum surface tubing pressure:

Center Point SWD Well No. 1 API 30-045-33464 2450 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 – Aztec
File: SWD-1005