

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

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

Jami Bailey, Division Director
Oil Conservation Division



September 19, 2014

Ms. Brittany Cortez
Chevron USA Inc.
Mid-Continent Business Unit
15 Smith Road
Midland, TX 79705

RE: Packer Setting Depth Exception

Injection Authority: Division Order No. R-3768; West Dollarhide Drinkard Unit
Waterflood project
Pool: Dollarhide Tubb-Drinkard pool
West Dollarhide Drinkard Unit Well No. 69 API 30-025-12314
Unit letter N, Sec 32, T24S, R38E, NMPM, Lea County, New Mexico

Ms. Cortez:

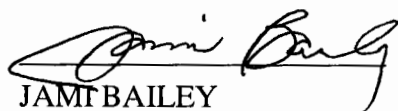
Reference is made to your request on behalf of Chevron USA, Inc. (OGRID 4323; "Chevron") received by the Division on August 8, 2014, for the above named well. Chevron applied for exception for setting the packer within 100 feet of the top of the approved injection interval.

It is our understanding that mechanical integrity testing conducted on this well following the replacement of tubing and packer system was only successful with the packer set at a depth of 5890 feet. This location of the packer is approximately 476 feet above the top perforation for the injection interval that begins at 6366 feet. The packer position is adjacent to the portion of the well that is completed with two strings of cemented casings. The perforated injection interval is within the unitized interval described in Division Order No. R-3768.

For the reasons stated in the application and because it appears that correlative rights are protected, waste will not occur and this modification will not endanger any fresh water aquifer or the environment, the exception is granted. The packer location within this well shall not be set higher than 476 feet unless the operator receives written approval from the Division Director.

The Division Director may rescind this exception if it becomes apparent that the injected fluid is not being confined to the permitted interval or is endangering any fresh water aquifer.

Sincerely,


JAMI BAILEY
Director

JB/prg

cc: Oil Conservation Division – Hobbs Office
Case No. 4134
Well File API 30-025-12270