



United States Department of the Interior



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Pecos District
Carlsbad Field Office
620 E. Greene
Carlsbad, New Mexico 88220-6292
www.blm.gov/nm

2012 APR -3 A 11: 24

IN REPLY REFER TO:
3162.3-2 (P0220)
LC065151

Case 14828

MAR 30 2012

R-5539

*No Application @ Christie
4.4.12*

Oil Conservation Division
1220 South St. Francis Drive
Santa Fe, NM 87505

Re: Proposed Pressure Maintenance for Lease LC 065151

The BLM will object to this proposal for the following reasons:

1. The well is in the far northeast of the lease and will move Federal minerals into another lease. Operator shall provide geological structure maps detailing how using this well for pressure maintenance will benefit the lease.
2. Operator did not provide details on the reservoir aspects of this project.
3. According to the reporting for the active wells in this lease, the water production is approximately twice the proposed injection volume. Explain how this is pressure maintenance.
4. The proposed injection zone is above the open perforations in the closest well – the Bilbrey 51 3 and above most of the perforations in the Bilbrey 51 2 well.
5. BLM has an order requiring the well to be in compliance by April 26, 2012.

30-025-24900

If you have any questions regarding this approval, please contact Wesley W. Ingram, Supervisory Petroleum Engineer at (575) 234-5982.

30-025-25075

Sincerely,

Wesley W. Ingram

Wesley W. Ingram
Supervisory Petroleum Engineer
Bureau of Land Management
Carlsbad Field Office

cc: Dugan Production Corporation