

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:**

**APPLICATION OF COULTHURST MANAGEMENT & INVESTMENT, INC.
TO REOPEN CASE NO. 14835 TO AMEND ORDER NO. R-2975-A, SANDOVAL
COUNTY, NEW MEXICO**

**CASE NO. 14835 (Reopened)
ORDER NO. R-2975-B**

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on February 7, 2013, at Santa Fe, New Mexico before Examiner David K. Brooks.

NOW, on this 18th day of February, 2013, the Division Director, having considered the testimony, the record and the recommendations of the Examiner,

FINDS THAT:

(1) Due public notice has been given, and the Division has jurisdiction of this case and its subject matter.

(2) Coulthurst Management & Investment, Inc. ("Applicant") seeks to amend Order No. R-2975-A, which established the Erin Pressure Maintenance Project, in order to change the authorized injection interval within the Menefee formation for the Erin Well No. 2 (API No. 30-043-20862) located 990 feet from the North line and 2310 feet from the West line (Unit C), Section 33, Township 18 North, Range 3 West, NMPM, Sandoval County, New Mexico, and to make corresponding changes in the prescribed packer setting depth and maximum injection pressure.

(3) By Order No. R-2975-A, issued in this case on August 29, 2012, the Division established the Erin Pressure Maintenance Project as a lease pressure maintenance project, and permitted one injection well, the Erin Well No. 2 (the "subject well"), to inject into the Menefee formation, with a permitted injection interval from 535 to 580 feet below the surface.

(4) Applicant filed this application to reopen this case in order to expand the

permitted injection interval for the subject well to include existing perforations in the well from 438 to 453 feet and from 456 to 461 feet below the surface.

(5) Applicant appeared at the hearing through counsel and submitted testimony by affidavit to the effect that:

(a) When attempting to perform the required mechanical integrity test on the subject well prior to commencing injection, Applicant discovered that the subject well has additional existing perforations in the Menefee formation sands at approximately 438 to 453 feet and 456 to 461 feet.

(b) The offsetting producing wells are located in the same upper Menefee formation sands as the shallower perforations; so that the conclusion that injection into the subject wells will benefit these offsetting wells remains valid.

(c) There are no additional wells to be considered within the Area of Review surrounding the subject well other than those that were considered when Order No. R-2975-A was issued.

(6) Applicant provided due notice of its application to re-open this case. No other person appeared in the case or otherwise opposed this application.

The Division concludes:

(7) Applicant's request to reopen this case, and to modify Order R-2975-A in order to expand the injection interval and make conforming changes will prevent waste, will not impair correlative rights and accordingly should be granted.

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the application of Coulthurst Management & Investment, Inc. (OGRID 5337), Case No. 14835 is hereby reopened, and the permitted injection interval for the Erin Well No. 2 (API No. 30-043-20862) located 990 feet from the North line and 2310 feet from the West line, (Unit C), Section 33, Township 18 North, Range 3 West, NMPM, Sandoval County, New Mexico, is hereby expanded to include all of the following approximate depths:

438 feet to 453 feet below the surface;
456 feet to 461 feet below the surface; and
535 feet to 580 feet below the surface.

(2) Injection shall be through tubing and a packer set above the highest perforation, and no higher than 100 feet above the approved injection interval.

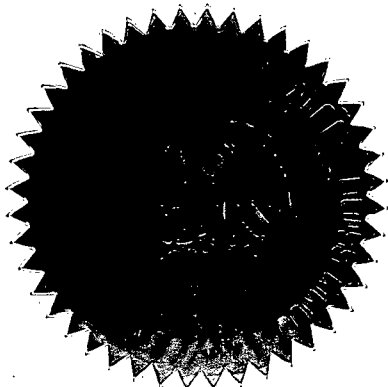
(3) The injection well or pressurization system shall be equipped with a pressure control device or acceptable substitute that will limit the maximum surface injection pressure to 87 psi, unless a higher pressure is approved by the Division pursuant

to the Step Rate Test provision of Order No. R-2975-A.

(4) Except as herein otherwise provided, Order No. R-2975-A shall remain in full force and effect.

(5) Jurisdiction is retained by the Division for the entry of such further orders as may be necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



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STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

A handwritten signature in black ink, appearing to read "Jami Bailey".

JAMI BAILEY
Director