

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

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Adrienne Sandoval, Director
Oil Conservation Division



March 24, 2020

Garret Johnson
Forty Acres Energy, LLC
E-mail: garret@faenergyus.com

RE: Injection Pressure Increase; Order IPI-523
West Eumont Unit No. 211
Eumont; Yates-7 RVRs-Queen (oil) (pool code: 22800)
UIC Class II EOR Well

Dear Mr. Johnson:

Reference is made to your request on behalf of Forty Acres Energy, LLC (OGRID 371416; the "operator") for the application received on January 14, 2020, to increase the maximum surface injection pressure (MSIP) on the following well:

Well No.	API Number	UL-S-T-R	Injection Authority	Existing MSIP Limit (psi)	Existing Tubing OD (in)
West Eumont Unit No. 211	30-025-44207	B-02-21S-35E	Hearing Order R-14616	760	2.375

It is our understanding that the requested pressure increase is needed to increase the rate of injection and this pressure increase will not result in:

1. the fracturing of the permitted disposal interval;
2. the fracturing of either the upper or lower confining strata; or
3. induced-seismic events as a consequence of the higher injection pressure.

Based on the results of the submitted step rate injection test and nodal analysis, the following shall be the new pressure limit while equipped with **injection** tubing:

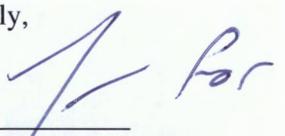
Well No.	Step Rate Test Date	New MSIP Limit (psi)	While Injecting	Injection Interval (ft)	Pressure Gradient (psi/ft)
West Eumont Unit No. 211	1/31/2020	1560	Water (SG ~ 1.05)	3800 - 3910	0.41

This approval is based on the provision that the tubing size, packer setting depth and completion interval for the well does not change. Any future requested pressure increase will require resubmission of additional

data and/or a new step-rate test. The Director retains the right to require, at any time, wireline verification of completion and packer setting depths in the well. This approval is subject to your being in compliance with all other OCD rules including, but not limited to, Rule 19.15.5.9 NMAC.

The Director may rescind any injection pressure increase permit if it becomes apparent that the injected fluid is not being confined to the permitted disposal interval, impacts correlative rights, is endangering any freshwater aquifer or endangers public health and safety.

Sincerely,


ADRIENNE SANDOVAL
Director

AS/dm

cc: Oil Conservation Division – Hobbs District Office
Order R-14616
Well file 30-015-44207