

East Vacuum Grayburg San Andres Unit Well No.3229-012

API No.30-025-30280

2630' FSL & 569' FWL, UL 'L',

Injection Interval: 4305 feet to 4608 feet

Maximum Injection Pressure: 1350 psi – water / 1850 psi – CO₂

East Vacuum Grayburg San Andres Unit Well No.3202-019

API No.30-025-30020

2065' FNL & 2540' FEL, UL 'G',

Injection Interval: 4352 feet to 4645 feet

Maximum Injection Pressure: 1350 psi – water / 1850 psi – CO₂

Both in Section 32, Township 17 South, Range 35 East, NMPM, Lea County, New Mexico

IT IS FURTHER ORDERED THAT:

The operator shall take all steps necessary to ensure that the injected water enters only the proposed injection interval and is not permitted to escape to other formations or onto the surface.

Prior to commencing injection operations into the wells, the casing shall be pressure tested from the surface to the packer setting depth to assure the integrity of said casing.

The casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge at the surface or left open to the atmosphere to facilitate detection of leakage in the casing, tubing or packer.

The injection wells or system shall be equipped with a pressure limiting device which will limit the wellhead pressure on the injection wells to no more than 1350 psig while on water injection and no more than 1850 psig while on CO₂ injection. Those wells which may already have an approved increase in injection pressure in place are exempt from these limits.

The Director of the Division may authorize an increase in injection pressure upon a proper showing by the operator of said wells that such higher pressure will not result in migration of the injected fluid from the San Andres formation. Such proper showing shall consist of a valid step-rate test run in accordance with and acceptable to this office.

The operator shall notify the supervisor of the Hobbs district office of the Division of the date and time of the installation of injection equipment and of the mechanical integrity tests so that the same may be inspected and witnessed.