

APPLICATION OF CAPITAL OIL AND GAS
CORPORATION TO EXPAND ITS WATER FLOOD
PROJECT IN THE GALLUP POOL IN MCKINLEY
COUNTY, NEW MEXICO.

ORDER No. WFX-509

ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION

Under the provisions of Order No. R-4875, Capital Oil and Gas Corporation has made application to the Division on April 12, 1983, for permission to expand its Miguel Creek-Gallup Water Flood Project in the Gallup Pool in McKinley County, New Mexico.

NOW, on this 12th day of April, 1983, the Division Director finds:

1. That application has been filed in due form in compliance with paragraph 6 of Commission Order No. R-4875.
2. That satisfactory information has been provided that all offset operators have been duly notified of the application.
3. That no objection has been received within the waiting period as prescribed by Rule 701B.
4. That the proposed injection well is eligible for conversion to water injection under the terms of Rule 701.
5. That the proposed expansion of the above referenced water flood project will not cause waste nor impair correlative rights.
6. That the application should be approved.

IT IS THEREFORE ORDERED:

That the applicant, Capital Oil and Gas Corporation, be and the same is hereby authorized to inject water into the Hospah Gallup formations through plastic-lined tubing set in a packer at approximately 726 feet in the following described well for purposes of secondary recovery to wit:

Santa Fe Pacific Railroad Well No. 79, Unit L,
Sec. 21, Township 16 North, Range 6 West,
McKinley County, New Mexico

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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.

That 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.

That the injection well or system shall be equipped with a pressure limiting device which will limit the wellhead pressure to a maximum of 153 pounds per square inch; provided however that the Division Director may administratively authorize a pressure limitation in excess of the above upon the operator's establishing that such higher pressure will not result in fracturing of the confining strata. A step-rate test run in accordance with the Division's standards is considered acceptable data to allow any pressure increases.

That the operator shall notify the supervisor of the Division's Aztec District Office before injection is commenced through said well.

That the operator shall immediately notify the Supervisor of the Division's Aztec District Office of the failure of the tubing, casing, or packer in said well or the leakage of water from or around said well and shall take such steps as may be timely or necessary to correct such failure or leakage.

That the subject well shall be governed by all provisions of Division Order No. R-4875 and Rules 702, 703, 704, 705, and 706 not inconsistent herewith.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY,
Division Director

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