

ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

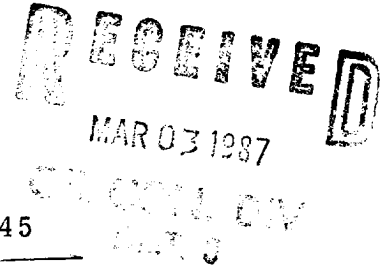


GARREY CARRUTHERS  
GOVERNOR

February 26, 1987

POST OFFICE BOX 2086  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87501  
(505) 827-5800

APPLICATION OF HIXON DEVELOPMENT COMPANY  
TO EXPAND ITS PRESSURE MAINTENANCE PROJECT  
IN THE BISTI-LOWER GALLUP POOL IN  
SAN JUAN COUNTY, NEW MEXICO.



ORDER NO. PMX-145

ADMINISTRATIVE ORDER  
OF THE OIL CONSERVATION DIVISION

Under the provisions of Order No. R-2065, Hixon Development Company has made application to the Division on January 28, 1987, for permission to expand its Carson Bisti Lower Gallup Pressure Maintenance Project in the Bisti-Lower Gallup Pool in San Juan County, New Mexico.

NOW, on this 25th day of February, 1987, the Division Director finds:

1. That application has been filed in due form.
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 Pressure Maintenance project will not cause waste nor impair correlative rights.
6. That the application should be approved.

IT IS THEREFORE ORDERED:

That the applicant, Hixon Development Company, be and the same is hereby authorized to inject water into perforated interval from 4899 feet to 5018 feet in the Lower Gallup formation through plastic-lined tubing set in a packer at approximately 4757 feet

in the following described well for purposes of pressure maintenance to wit:

Carson Unit Well No. 33-18  
1930' FSL and 1980' FEL, Unit J,  
Section 18, Township 25 North, Range 11 West  
San Juan 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.

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 prior to commencing injection operations in the well, the casing shall be pressure tested from the surface to the packer setting depth to assure the integrity of the casing.

That the injection well or system shall be equipped with a pressure limiting device which will limit the wellhead pressure on the injection well to no more than 980 psi.

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

That the operator shall notify the supervisor of the Aztec district office of the Division of the date and time of the installation of disposal equipment and of the mechanical integrity test so that the same may be inspected and witnessed.

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.

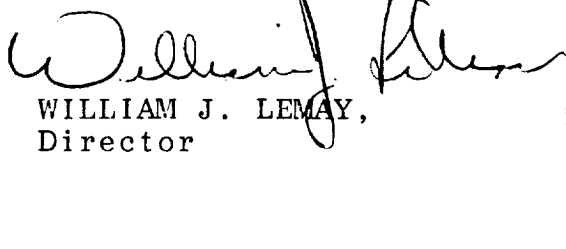
That the subject well shall be governed by all provisions of Division Order No. R-2065 and Rules 702, 703, 704, 705, and 706 not inconsistent herewith.

That the Division Director may rescind or suspend this injection authority if it becomes apparent that the injected water is not

being confined to the injection zone or it is endangering any fresh water aquifers.

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

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

  
WILLIAM J. LEMAY,  
Director

S E A L

WJL/DRC/dr