



TONEY ANAYA
GOVERNOR

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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OIL CON. DIV.
DIST. 3

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

APPLICATION OF HIXON DEVELOPMENT COMPANY
TO EXPAND ITS WATERFLOOD PROJECT IN THE
LOWER SLOPE OIL POOL IN SAN JUAN COUNTY,
NEW MEXICO.

ORDER No. WFX-515

ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION

Under the provisions of Order No. R-1636-A, Hixon Development Company has made application to the Division on April 15, 1983, for permission to expand its Central Bisti Unit Waterflood Project in the Lower Gallup Oil Pool in San Juan County, New Mexico.

NOW, on this 24th day of August, 1983, 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 waterflood 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 the Lower Gallup

Sand formations through plastic-lined tubing set in a packer at approximately 4700 feet in the following described well for purposes of secondary recovery to wit:

Central Bisti Unit Well No. 54, Unit E,
Sec. 5, T-25-N, R-12-W, NMPM, San Juan County

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 960 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. Establishment of such higher pressure shall be done by means of a step-rate test run in accordance with and acceptable to the Division standards.

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

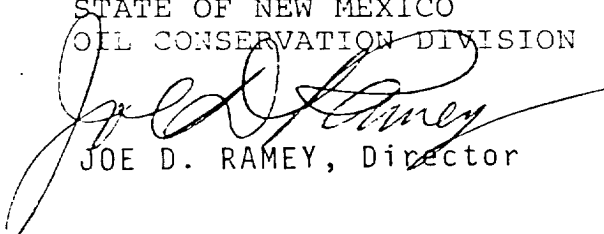
That the operator shall immediately notify the Supervisor of the Division's Aztec District Office of the failure of the tubing, casing, or packer in said well or the leakage of water from or around said well and shall take such steps as may be timely or necessary to correct such failure or leakage.

That the subject well shall be governed by all provisions of Division Order No. R-1636-A and Rules 702, 703, 704, 705, and 706 not inconsistent herewith.

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

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JOE D. RAMEY, Director