

Entered September 28 1984

RH

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 8312
Order No. R-7678

GULF OIL EXPLORATION AND PRODUCTION
COMPANY FOR A WATERFLOOD PROJECT,
LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on August 22, 1984, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 28th day of September, 1984, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) The applicant, Gulf Oil Exploration and Production Company, seeks authority to institute a pilot waterflood project in the South Eunice Seven Rivers-Queen Pool by the injection of water into selected perforated intervals from approximately 3750 feet to approximately 3875 feet in the following described wells to be drilled on the applicant's J. F. Janda (NCT-F) Lease in Section 4, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico:

<u>WELL NO.</u>	<u>FOOTAGE LOCATION</u>
10	2640' FSL and 1330' FWL
11	2640' FSL and 2645' FWL
12	1305' FSL and 2645' FWL
13	1325' FSL and 1330' FWL

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(3) The initial project area should comprise the following described lands within applicant's J. F. Janda (NCT-F) Lease, Lea County, New Mexico:

TOWNSHIP 22 SOUTH, RANGE 36 EAST, NMPM
Section 4: SW/4, S/2 NW/4, W/2 SE/4,
and SW/4 NE/4

(4) The wells in the project area are in an advanced state of depletion and should properly be classified as "stripper" wells.

(5) The proposed waterflood project should result in the recovery of otherwise unrecoverable oil, thereby preventing waste.

(6) The operator should 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 from injection, production, or plugged and abandoned wells.

(7) The proposed injection wells or injection pressurization system should be so equipped as to limit injection pressure at the wellhead to no more than 750 psi, but the Division Director should have authority to increase said pressure limitation, should circumstances warrant.

(8) The subject application should be approved and the project should be governed by the provisions of Rules 701 through 708 of the Division Rules and Regulations.

IT IS THEREFORE ORDERED THAT:

(1) The applicant, Gulf Oil Exploration and Production Company, is hereby authorized to institute a pilot waterflood project on its J. F. Janda (NCT-F) Lease, South Eunice Seven Rivers-Queen Pool, by the injection of water into selected perforated intervals from approximately 3750 feet to approximately 3875 feet in the following described wells to be drilled in Section 4, Township 22 South, Range 36 East, NMPM, Lea County, New Mexico:

<u>WELL NO.</u>	<u>FOOTAGE LOCATION</u>
10	2640' FSL and 1330' FWL
11	2640' FSL and 2645' FWL
12	1305' FSL and 2645' FWL
13	1325' FSL and 1330' FWL

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(2) The initial project area is to comprise the following described lands within applicant's J. F. Jarda (NCT-F) Lease, Lea County, New Mexico:

TOWNSHIP 22 SOUTH, RANGE 36 EAST, NMPM
Section 4: SW/4, S/2 NW/4, W/2 SE/4,
and SW/4 NE/4

(3) Injection into each of said proposed wells shall be through internally coated tubing, set in a packer which shall be located as near as practicable to the uppermost perforation; that the casing-tubing annulus of each injection well shall be loaded with an inert fluid and equipped with an approved pressure gauge or attention-attracting leak detection device.

(4) The operator shall immediately notify the supervisor of the Division's Hobbs district office of the failure of the tubing or packer in any of said injection wells, the leakage of water or oil from or around any producing well, or the leakage of water or oil from any plugged and abandoned well within the project area and shall take such timely steps as may be necessary or required to correct such failure or leakage.

(5) The proposed injection wells herein authorized and/or the injection pressurization system shall be so equipped as to limit injection pressure at the wellhead to no more than 750 psi, provided however, the Division Director may authorize a higher surface injection pressure upon satisfactory showing that such pressure will not result in fracturing of the confining strata.

(6) The subject waterflood project is hereby designated the North Seven Rivers Queen Waterflood Project and shall be governed by the provisions of Rules 701 through 708 of the Division Rules and Regulations.

(7) Monthly progress reports of the waterflood project herein authorized shall be submitted to the Division in accordance with Rules 706 and 1115 of the Division Rules and Regulations.

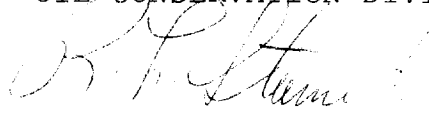
(8) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



R. L. STAMETS
Acting Director

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