



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop
Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

ADMINISTRATIVE ORDER NO. WFX-793

***APPLICATION OF M.E.W. ENTERPRISES TO EXPAND ITS TWIN LAKES SAN ANDRES
UNIT WATERFLOOD PROJECT IN THE TWIN LAKES-SAN ANDRES ASSOCIATED POOL
IN CHAVES COUNTY, NEW MEXICO.***

**ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION**

Under the provisions of Division Order No. R-8611, M.E.W. Enterprises has made application to the Division on July 8, 2003 for permission to expand its Twin Lakes San Andres Unit Waterflood Project in the Twin Lakes-San Andres Associated Pool in Chaves County, New Mexico.

THE DIVISION DIRECTOR FINDS THAT:

- (1) The application has been filed in due form.
- (2) Satisfactory information has been provided that all offset operators have been duly notified of the application.
- (3) No objection has been received within the waiting period as prescribed by Rule 701(B).
- (4) The proposed injection wells are eligible for conversion to injection under the terms of Rule 701.
- (5) The proposed expansion of the above-referenced waterflood project will not cause waste nor impair correlative rights.
- (6) The application should be approved.

IT IS THEREFORE ORDERED THAT:

The applicant, M.E.W. Enterprises is hereby authorized to inject water into the San Andres formation at approximately 2,572 feet to approximately 2756 through 2 3/8-inch plastic lined tubing set in a packer located within 100 feet of the top perforation in the following-described wells for purposes of secondary recovery to wit:

Well Name	API Number 30-005-	Surface Well Location T25South, R38East	Injection Interval	Packer Depth	Max Inj. Psi
TLSAU No. 302	63191	950' FSL & 2310' FEL Unit O, S25, T8S, R28E	2,572' - 2,616'	2,525'	514
TLSAU No. 326	63189	110' FSL & 2490' FWL Unit N, S31, T8S, R29E	2,712' - 2,756'	2,675'	542
TLSAU No. 333	63193	1670' FSL & 1650' FEL Unit J, S6, T9S, R29E	2,708' - 2,742'	2,675'	540

IT IS FURTHER ORDERED THAT:

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

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

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 systems shall be equipped with a pressure limiting device which will limit the wellhead pressure on the injection wells to the pressure specified above.

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.

The operator shall immediately notify the supervisor of the Hobbs district office of the Division of the failure of the tubing, casing or packer in said wells and shall take such steps as may be timely and necessary to correct such failure or leakage.

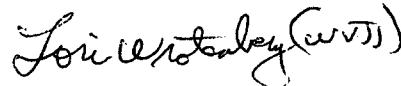
The subject wells shall be governed by all provisions of Division Order No. R-8611 and Rules 702-706 of the Division Rules and Regulations not inconsistent herewith.

PROVIDED FURTHER THAT, jurisdiction is retained by the Division for the entry of such further orders as may be necessary for the prevention of waste and/or protection of correlative rights or upon failure of the operator to conduct operations (1) to protect fresh water or (2) consistent with the requirements in this order, whereupon the Division may, after notice and hearing, terminate the injection authority granted herein.

The injection authority granted herein shall terminate one year after the effective date of this order if the operator has not commenced injection operations into the subject well, provided however, the Division, upon written request by the operator, may grant an extension thereof for good cause shown.

DONE at Santa Fe, New Mexico, on this 5th day of August 2003.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



LORI WROTENBERY
Director

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LW/wvjj

cc: Oil Conservation Division – Hobbs
Case File No. 9211