



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**

Governor

**Joanna Prukop**

Cabinet Secretary

**Mark E. Fesmire, P.E.**

Director

**Oil Conservation Division**

*ADMINISTRATIVE ORDER NO. WFX-826*

***APPLICATION OF CHEVRON U.S.A., INC. TO EXPAND ITS WATERFLOOD PROJECT IN  
THE DRINKARD POOL IN LEA COUNTY, NEW MEXICO.***

**ADMINISTRATIVE ORDER  
OF THE OIL CONSERVATION DIVISION**

Under the provisions of Division Order No. R-2909, as amended, Chevron U.S.A., Inc. has made application to the Division on November 9, 2006 for permission to expand its Central Drinkard Unit Waterflood Project in the Drinkard Pool in Lea County, New Mexico.

**THE DIVISION DIRECTOR FINDS THAT:**

- (1) The application was filed in due form.
- (2) Satisfactory information was provided to demonstrate that all offset operators were provided notice of the application.
- (3) An objection to converting the Central Drinkard Unit Well No. 140 to injection was timely filed by Stephens & Johnson Operating Company. Pursuant to that objection, the Central Drinkard Unit Well No. 140 has been omitted from this injection permit.
- (4) No other objections have been filed within the waiting period prescribed by Division Rule 701(C).
- (5) The proposed injection wells are eligible for conversion to injection under the terms of Rule 701.
- (6) The proposed expansion of the above-referenced waterflood project will not cause waste nor impair correlative rights.
- (7) The application should be approved.

**IT IS THEREFORE ORDERED THAT:**

The applicant, Chevron U.S.A., Inc., is hereby authorized to inject water into the Drinkard formation, Drinkard Pool, through 2-3/8-inch plastic-lined tubing set in a packer located within 100 feet

of the uppermost injection perforations or open-hole interval in the following-described wells for purposes of secondary recovery to wit:

**Central Drinkard Unit Well No. 130 (API No. 30-025-06976)**  
660' FNL & 660' FWL, Unit D, Section 33, T-21 South, R-37 East, NMPM  
Injection Interval: 6,519'-6,694' Perforated  
Maximum Surface Injection Pressure: 1304 PSIG

**Central Drinkard Unit Well No. 408 (API No. 30-025-25184)**  
972' FNL & 1305' FWL, Unit D, Section 28, T-21 South, R-37 East, NMPM  
Injection Interval: 6,519'-6,642' Open-hole  
Maximum Surface Injection Pressure: 1304 PSIG

**Central Drinkard Unit Well No. 409 (API No. 30-025-25212)**  
977' FNL & 2236' FWL, Unit C, Section 28, T-21 South, R-37 East, NMPM  
Injection Interval: 6,512'-6,628' Open-hole  
Maximum Surface Injection Pressure: 1302 PSIG

**Central Drinkard Unit Well No. 411 (API No. 30-025-25222)**  
939' FNL & 1655' FEL, Unit B, Section 28, T-21 South, R-37 East, NMPM  
Injection Interval: 6,509'-6,655' Open-hole  
Maximum Surface Injection Pressure: 1302 PSIG

**Central Drinkard Unit Well No. 413 (API No. 30-025-25224)**  
910' FNL & 1857' FEL, Unit B, Section 29, T-21 South, R-37 East, NMPM  
Injection Interval: 6,534'-6,655' Open-hole  
Maximum Surface Injection Pressure: 1307 PSIG

**Central Drinkard Unit Well No. 421 (API No. 30-025-25695)**  
1465' FNL & 1056' FEL, Unit H, Section 32, T-21 South, R-37 East, NMPM  
Injection Interval: 6,540'-6,612' Perforated  
Maximum Surface Injection Pressure: 1308 PSIG

IT IS FURTHER ORDERED THAT:

Prior to commencing injection operations into the Central Drinkard Unit Wells No. 408, 409, 411 and 413, the following-described existing perforations in each well shall be cement squeezed in order to effectively isolate these intervals:

<u>Well Name &amp; Number</u>	<u>Perforations</u>	<u>Formation</u>
CDU Well No. 408	6,399'-6,443'	Drinkard
CDU Well No. 409	6,359'-6,420'	Drinkard
CDU Well No. 411	6,388'-6,449'	Drinkard
CDU Well No. 413	6,420'-6,463'	Drinkard

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.

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

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 well or system shall be equipped with a pressure limiting device which will limit the wellhead pressure to the maximum surface injection pressures described 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 Drinkard 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 well shall be governed by all provisions of Division Order No. R-2909, as amended, 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 wells, 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 7th day of December, 2006.

*Administrative Order No. WFX-826*

*Chevron U.S.A., Inc.*

*December 7, 2006*

*Page 4*

---

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

MARK E. FESMIRE, P.E.  
Director

cc: Oil Conservation Division – Hobbs