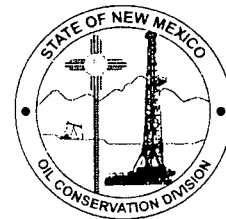


New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

Joanna Prukop
Cabinet Secretary

Mark Fesmire
Division Director
Oil Conservation Division



Administrative Order PMX-254
August 11, 2009

APPLICATION OF CONOCOPHILLIPS COMPANY TO EXPAND ITS PRESSURE MAINTENANCE PROJECT IN THE LOWER SAN ANDRES IN ORDER TO INCREASE INJECTION CAPACITY IN THE MCA UNIT WELL No. 94 IN LEA COUNTY, NEW MEXICO

ADMINISTRATIVE ORDER OF THE OIL CONSERVATION DIVISION

Under the provisions of Division Order R-6157, as amended, ConocoPhillips Company (OGRID No. 217817) has made application to the Division on July 24, 2009 for permission to expand its MCA Unit Pressure Maintenance/Enhanced Recovery Project in the Maljamar Grayburg San Andres Pool in Lea County, New Mexico.

THE DIVISION DIRECTOR FINDS THAT:

The application was filed in due form. No objections have been filed within the waiting period prescribed by Division Rule 26.8(C). The proposed well(s) are eligible for conversion to injection under the terms of Rule 26.8. The current operator is in compliance with Rule 5.9.

The proposed expansion of the above-referenced Pressure Maintenance Project will not cause waste nor impair correlative rights and should be approved.

IT IS THEREFORE ORDERED THAT:

The operator is hereby authorized to inject water for purposes of secondary recovery into Grayburg San Andres formation within the unitized interval [see Division Order No R-6157] of the MCA Unit in the following-described well.

MCA Unit Well No. 94 (API No. 30-025-08063)

660' FSL, 660' FEL, Unit P, Sec 20, T17S, R32E, NMPM

Injection Interval : 3,755 to 4,290 feet

Maximum Surface Injection Pressure = 2,150 psi



This well shall be equipped with plastic-lined tubing set in a packer located within 100 feet of the top of the actual injection interval. The maximum allowed surface injection pressure is specified below.

IT IS FURTHER ORDERED THAT:

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

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

The casing-tubing annulus shall openly extend to within 100 feet of the top of the injection interval and 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 injection system shall be equipped with pressure limiting devices which will limit the wellhead pressure to the maximum surface injection pressure described above.

The Director of the Division may authorize an increase in injection pressure upon a proper showing by the operator that such higher pressure will not result in waste of oil and gas or migration of the injected fluid from the permitted injection interval. Such proper showing shall be accompanied by valid step-rate test(s) run in accordance with and acceptable to this office.

The operator shall notify the supervisor of the Division's district office of the date and time of the installation of injection equipment and of all mechanical integrity tests so that the same may be inspected and witnessed.

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

The subject well(s) shall be governed by all provisions of Division Order No. R-6157, as amended and Rules 26.9-26.13 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 mailed prior to the one year deadline, may grant an extension thereof for good cause shown.


MARK E. FESMIRE, P.E.
Director

MEF/tw

cc: Oil Conservation Division – Hobbs
Bureau of Land Management - Carlsbad

Injection Permit Checklist (7/8/08)

Case _____ R- _____ SWD _____ WFX PMX 254 IPI _____ Permit Date 8-7-09 UIC Qtr JAS
 # Wells 94 Well Name: MCA Unit Well No. 94
 API Num: (30-) 025-08063 Spud Date: _____ New/Old: _____ (UIC primacy March 7, 1982)
 Footages 660' FSL 660' FEL Unit P Sec 20 Tsp 17S Rge 32E County Lea
 Operator: ConocoPhillips Contact Jalyn Fiske
 OGRID: 217817 RULE 40 Compliance (Wells) 6/4509 (Finan Assur) ☒
 Operator Address: 3300 N "A" St. Bld. 6 Midland, TX 79705
 Current Status of Well: Injecting under PMX-153

Planned Work to Well:		Planned Tubing Size/Depth:		
	Sizes Hole.....Pipe	Setting Depths	Cement Sx or Cf	Cement Top and Determination Method
Existing _____ Surface	<u>17 1/2</u>	<u>20'</u>	<u>YES</u>	<u>Surface</u>
Existing _____ Intermediate	<u>7"</u>	<u>3600'</u>	<u>Y / 360SKS</u>	<u>Surf. DR @ 856'</u>
Existing _____ Long String	<u>5 1/2</u>	<u>4,094</u>	<u>Y</u>	

DV Tool 856' Liner _____ Open Hole YES Total Depth 4078 PBTD 4088

Well File Reviewed ☒
 Diagrams: Before Conversion ☒ After Conversion ☒ ELogs in Imaging File: ☒

Intervals:	Depths	Formation	Producing (Yes/No)
Above (Name and Top)			
Above (Name and Top)		<u>Queen</u>	
Injection..... Interval TOP:	<u>43738</u>	<u>Lower</u>	
Injection..... Interval BOTTOM:	<u>4225</u>	<u>San Andres</u>	
Below (Name and Top)			

*Drill out
Cement to new
TD of 4225'*

Sensitive Areas: Capitan Reef _____ Cliff House _____ Salt Depths _____

..... Potash Area (R-111-P) _____ Potash Lessee _____ Noticed? _____

Fresh Water: Depths: _____ Wells (Y/N) _____ Analysis Included (Y/N) _____ Affirmative Statement _____

Salt Water: Injection Water Types: _____ Analysis? _____

Injection Interval: Water Analysis: yes Hydrocarbon Potential _____

Notice: Newspaper ☒ Surface Owner _____ Mineral Owner(s) _____

RULE 701B(2) Affected Parties: ConocoPhillips (only)

Area of Review: Adequate Map (Y/N) ☒ and Well List (Y/N) ☒

Active Wells 24 Num Repairs 0 Producing in Injection Interval in AOR Yes

P&A Wells 8 Num Repairs 0 All Wellbore Diagrams included? ☒

Questions to be Answered:

Required Work on This Well: _____ Request Sent _____ Reply: _____

AOR Repairs Needed: _____ Request Sent _____ Reply: _____

_____ Request Sent _____ Reply: _____

*deepen TD
from 4098'
to 4225'
Off injection*

L. Parts ~~FB~~ TD
3758
5366-5506 5578
3595-3839 4145
3579-4087 4145
3690-4040 4072
3686-3741 4100
3547-4100H 4100
3660-4100H 4110
3799-4022H 4072