OIL CONSERVATION COMMISSION P. O. BOX 2088 SANTA FE, NEW MEXICO 87501

December 29, 1977

Jennings, Christy & Copple P. O. Box 1180 Roswell, New Mexico

Re: Administrative Order No. WFX-459 Shenandoah Oil Corporation

Gentlemen:

Enclosed herewith please find Administrative Order WFX No. 459 for the following described well:

Shugart "D" Well No. 10 located in Unit G of Section 30, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico.

Very truly yours,

JOE D. RAMEY Secretary-Director

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cc: Oil Conservation Commission Drawer DD Artesia, New Mexico

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Per Adain/etrative Order No. 1255-456. Stemandoah Oil Corporation

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APPLICATION OF SHENANDOAH OIL CORPORATION TO EXPAND ITS SHUGART WATER FLOOD PROJECT IN THE SHUGART POOL IN EDDY COUNTY, NEW MEXICO.

ORDER WFX NO. 459

ADMINISTRATIVE ORDER OF THE OIL CONSERVATION COMMISSION

Under the provisions of Order No. R-3431, Shenandoah Oil Corporation has made application to the Commission on December 14, 1977, for permission to expand its Shugart Waterflood Project in the Shugart Pool in Eddy County, New Mexico.

NOW, on this 29th day of December, 1977, the Secretary-Director finds:

- 1. That application has been filed in due form.
- 2. That satisfactory information has been provided that all operators of offset acreage have been duly notified; and
- 3. That no objections have been received within the waiting period as prescribed by Order No. R-3431.
- 4. That the proposed injection well is eligible for conversion to water injection under the terms of Order No. R-3431.
- 5. That the proposed expansion of the above-referenced water flood project will not cause waste nor impair correlative rights.
 - 6. That the application should be approved.

IT IS THEREFORE ORDERED:

That the applicant, Shenandoah Oil Corporation, be and the same is hereby authorized to inject water into the Penrose formation through plastic-lined tubing set in a packer at approximately 3343 feet in the following described well for purposes of secondary recovery, to wit:

Shugart "D" Well No. 10 located in Unit G of Section 30, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico.

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 pop-off valve or device which will limit the wellhead pressure to a maximum of 682 pounds per square inch; provided however that the Secretary-Director of the Commission 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 confining strata.

That the operator shall notify the supervisor of the Commission's Artesia District Office before injection is commenced through said well;

That the operator shall immediately notify the Supervisor of the Commission's Artesia 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.

DONE at Santa Fe, New Mexico, on the day and year herein-above designated.

STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

JOE D. RAMEY Secretary-Director

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