



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

ADMINISTRATIVE ORDER NO. WFX-700

**APPLICATION OF DEVON ENERGY CORPORATION TO EXPAND ITS WATERFLOOD
PROJECT IN THE GRAYBURG JACKSON POOL IN EDDY COUNTY, NEW MEXICO**

**ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION**

Under the provisions of Division Order No. R-2268 as amended, Devon Energy Corporation has made application to the Division on November 12, 1996 for permission to expand its Keel-West Unit Waterflood Project in the Grayburg Jackson Pool in Eddy 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, Devon Energy Corporation, be and the same is hereby authorized to inject water into the Seven Rivers formation at approximately 1650 feet to approximately 2200 feet through 2 3/8-inch plastic lined tubing set in a packer located within 100 feet of the uppermost injection perforations in the wells described on Exhibit "A" attached hereto, for purposes of secondary recovery.

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.

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 on the injection wells to no greater than .35 psi per foot of depth to the uppermost injection perforations.

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 Seven Rivers formations. 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 Artesia 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 Artesia 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-2268, as amended and Rules 702-706 of the Division Rules and Regulations not inconsistent herewith.

PROVIDED FURTHER THAT, jurisdiction of this cause is hereby retained by the Division for the entry of such further order or orders as may be deemed necessary or convenient for the prevention of waste and/or protection of correlative rights; upon failure of the operator to conduct operations in a manner which will ensure the protection of fresh water or in a manner inconsistent with the requirements set forth in this order, the Division may, after notice and hearing, terminate the injection authority granted herein.

Administrative Order WFX-700

Devon Energy Corporation

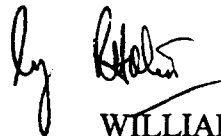
December 9, 1996

Page 3

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 9th day of December, 1996.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

by  Deputy Director
WILLIAM J. LEMAY
Director

S E A L

cc: Oil Conservation Division - Artesia
Case File No.9929

EXHIBIT "A"
DIVISION ORDER NO. WFX-699
KEEL-WEST UNIT WATERFLOOD PROJECT
APPROVED INJECTION WELLS (New Drills)

Well Name	Well No.	Location	Unit	S-T-R	Injection Interval	Packer Depth	Tubing Size	Injection Pressure
Turner 'A'	59	1980' FNL & 1350' FEL	G	19-17S-31E	1650'-3425'	1600'	2 3/8"	578 PSIG
Turner 'B'	119	64' FNL & 1550' FEL	B	29-17S-31E	1800'-2200'	1750'	2 3/8"	770 PSIG
Turner 'B'	120	1000' FSL & 2300' FEL	O	20-17S-31E	1800'-2200'	1750'	2 3/8"	770 PSIG
Turner 'B'	121	2410' FSL & 1100' FEL	I	20-17S-31E	1750'-2150'	1700'	2 3/8"	613 PSIG
Turner 'B'	122	1190' FNL & 330' FEL	A	20-17S-31E	1750'-2200'	1700'	2 3/8"	613 PSIG
Turner 'B'	123	135' FSL & 1000' FEL	P	17-17S-31E	1750'-2200'	1700'	2 3/8"	613 PSIG
Turner 'B'	124	983' FNL & 2516' FEL	B	20-17S-31E	1650'-2050'	1600'	2 3/8"	578 PSIG
Turner 'B'	125	2610' FSL & 1520' FEL	J	20-17S-31E	1700'-2150'	1650'	2 3/8"	595 PSIG
Turner 'B'	126	1025' FSL & 100' FWL	M	20-17S-31E	1700'-2150'	1650'	2 3/8"	595 PSIG
Turner 'B'	127	950' FSL & 2550' FEL	O	20-17S-31E	1700'-2200'	1650'	2 3/8"	595 PSIG
Turner 'B'	128	410' FSL & 1150' FWL	M	17-17S-31E	1700'-2100'	1650'	2 3/8"	595 PSIG
Turner 'B'	129	1550' FNL & 150' FWL	D	17-17S-31E	1650'-2100'	1600'	2 3/8"	578 PSIG

All wells in Eddy County, New Mexico

CORRECTED EXHIBIT "A"
DIVISION ORDER NO. WFX-700
KEEL-WEST UNIT WATERFLOOD PROJECT
APPROVED INJECTION WELLS (New Drills)

Well Name	Well No	Location	Unit	S-T-R	Injection Interval	Packer Depth	Tubing Size	Injection Pressure
Turner 'A'	59	1980' FNL & 1350' FEL	G	19-17S-31E	1650'-3425'	1600'	2 3/8"	578 PSIG
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Turner 'B'	126	1025' FSL & 100' FWL	M	20-17S-31E	1700'-2150'	1650'	2 3/8"	595 PSIG
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Turner 'B'	128	410' FSL & 1150' FWL	M	17-17S-31E	1700'-2100'	1650'	2 3/8"	595 PSIG
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All wells in Eddy County, New Mexico

Corrections are identified by boldface and underlining.