



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**Bill Richardson**  
Governor  
**Joanna Prukop**  
Cabinet Secretary

**Lori Wrotenberg**  
Director  
Oil Conservation Division

March 5, 2003

Devon Energy Production Company, L.P.  
20 North Broadway  
Suite 1500  
Oklahoma City, Oklahoma 73102

Attention: Mr. James Blount

Re: Division Order No. WFX-747  
West Red Lake Unit Waterflood Project  
Eddy County, New Mexico

Dear Mr. Blount:

By Division Order No. WFX-747 dated January 19, 1999, the Division authorized Devon Energy Production Company, L.P. to expand its West Red Lake Unit Waterflood Project by converting to injection eleven (11) wells located within Sections 4, 6, 7, 8 and 9, Township 18 South, Range 27 East. Injection was to occur into the San Andres formation, Red Lake Queen-Grayburg-San Andres Pool.

Pursuant to requirements set forth within Order No. WFX-747, prior to commencing injection into the wells, the operator was required to demonstrate that the Julia "A" Federal Well No. 2, located in Unit P of Section 5, Township 18 South, Range 27 East, NMMP, was adequately cemented across the injection zone, or in the alternative, to perform remedial cement operations on the well.

An examination of Division Form C-115's shows that:

- (a) injection into the WRLU Well No. 29 (API No. 30-015-00770), located in Unit K of Section 4, commenced in January, 2002;
- (b) injection into the WRLU Well No. 43 (API No. 30-015-28564) located in Unit N of Section 4, commenced in January, 2002; and
- (c) injection into the WRLU No. 61 (API No. 30-015-28707) located in Unit C of Section 9, commenced in January, 2002.

It appears that the Julia "A" Federal Well No. 2 is within the area-of-review for the WRLU Well No. 43.

A search of Division files does not indicate that Devon has performed any remedial work on the Julia "A" Federal Well No. 2.

With regards to the WRLU Well No. 43, it appears that Devon is injecting into this well in violation of Division Order No. WFX-747.

**Injection into the WRLU Well No. 43 shall immediately cease until such time as the requirements set forth in Division Order No. WFX-747 are complied with.**

In addition, Order No. WFX-747 contains a provision whereby the injection authority for the subject wells terminates one year after the issue date of the order if the operator has not commenced injection operations, or if the operator has not requested an extension of the permit. It appears that the latest extension of this permit expired on January 19, 2002. Therefore, the injection authority for the WRLU Wells No. 1, 3, 9, 12, 37, 45, 49 and 78 has expired. In order to obtain injection authority for these wells, a new Form C-108 (Application to Inject) must be filed with the Division.

If work has been performed on Julia "A" Federal Well No. 2, please forward this information to the Santa Fe Office of the Division.

Please advise the Santa Fe Office of the Division of the date the WRLU Well No. 43 was shut-in, and any plans Devon has to perform remedial work on the Julia "A" Federal Well No. 2.

If you should have any questions regarding this notice, please contact Mr. David Catanach at (505) 476-3466.

Sincerely,



David Catanach  
Engineer

Xc: Ms. Lori Wrotenbery  
File-WFX-747  
Mr. Tim Gum