

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

RECEIVED

IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF HEARING:

JUN -7 2004

Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

APPLICATION OF THUNDERBOLT PETROLEUM
TO INCREASE THE MAXIMUM SURFACE
INJECTION PRESSURE WITHIN ITS CALMON
STATE WATERFLOOD PROJECT
EDDY COUNTY NEW MEXICO

CASE 13249

PRE-HEARING STATEMENT

Thunderbolt Petroleum submits this pre-hearing statement as required by the New Mexico Oil Conservation Division.

APPEARANCES OF THE PARTIES

APPLICANT

Thunderbolt Petroleum
P. O. Box 10523
Midland, Texas 79702
Attn: Robert Lee
432-682-1251

ATTORNEY

Thomas Kellahin, Esq.
P. O. Box 2265
Santa Fe, New Mexico 87504
505-982-4285

OPPONENT

None

ATTORNEY

WJD
6/7/04

STATEMENT OF THE CASE

APPLICANT:

Thunderbolt Petroleum seeks to increase the maximum surface injection pressure within its Calmon State Waterflood Project from the currently approved maximum of 650 and 550 psig to 1,100 psi:

- (1) The Calmon State Waterflood Project area consisted of SW/4 of Section 16, T18S R29E, Eddy County, New Mexico and was approved on November 9, 1999 by Division Order R-11275 entered in Case 12250.**
- (2) This project consisted of 2 injection well injection water into the Queen Grayburg and San Andres formations of the Loco Hills-Queen Grayburg San Andres Pool: Calmon State Well No. 1, Unit L (pressure limit of 453 psig) and the Calmon State Well No. 3, Unit M (pressure limit of 453 psig).**
- (3) On August 9, 2002, the Division approved increasing the maximum surface injection pressure for the Well No. 1 to 650 psig and for the Well No. 3 to 550 psig.**
- (4) On February 26, 2004 Thunderbolt Petroleum filed its application with the Division requesting an increase to 1,100 psig for both wells which the Division set for hearing as Case 13249.**
- (5) Thunderbolt will demonstrate that its injection into the Grayburg interval is such that the injection fluids will remain within the vertical limits of the Loco Hills-Queen Grayburg San Andres Pool:**
 - a. 1,100 psig is a fracture gradient of 0.49**
 - b. Any additional 4 to 5 barrels of oil a day can be produce if the surface injection pressure is increased to 1,100 psig**
 - c. The vertical limits of this pool are from 2030 feet to 3975 feet.**
 - d. The top injection interval in Well No. 1 is 238 feet below and 1295 feet above the top and the bottom of the pool**
 - e. The top injection interval in the Well No. 3 is 234 feet below and 1305 feet below the top and bottom of this pool.**
 - f. Based upon step rate/tracer tests the maximum height of a fracture will still leave 110 feet to the top of the pool.**

PROPOSED EVIDENCE

APPLICANT

WITNESSES

EST. TIME

EST. EXHIBITS

Robert Lee (PE)

@ 30-45 minutes

@ 12

PROCEDURAL MATTERS

None

KELLAHIN & KELLAHIN



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