

Calvin F. Tennison's
Malaga Unit #2

APPLICATION OF AUSTIN GAS PURCHASING,
INC. TO EXPAND ITS WATERFLOOD PROJECT
IN THE MALAGA-DELAWARE POOL IN EDDY
COUNTY, NEW MEXICO

ORDER No. WFX-503

ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION

Under the provisions of Order No. R-3245, Austin Gas Purchasing, Inc. has made application to the Division on November 9, 1982, for permission to expand its Malaga Unit Area Waterflood Project in the Malaga-Delaware Pool in Eddy County, New Mexico.

NOW, on this 20th day of January, 1983, the Division Director finds:

1. That application has been filed in due form.
2. That satisfactory information has been provided that all offset operators have been duly notified of the application.
3. That no objection has been received within the waiting period as prescribed by Rule 701 B.
4. That the proposed injection well is eligible for conversion to water injection under the terms of Rule 701.
5. That the proposed expansion of the above referenced waterflood project will not cause waste nor impair correlative rights.
6. That the application should be approved.

IT IS THEREFORE ORDERED:

That the applicant, Austin Gas Purchasing, Inc., be and the same is hereby authorized to inject water into the Delaware formation through plastic-lined tubing set in a packer at approximately 2723 feet in the following described well for purposes of secondary recovery to wit:

Malaga Unit Well No. 12-2, M-7-24S-29E,
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 (in each well) 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 pressure limiting device which will limit the wellhead pressure to a maximum of 540 pounds per square inch; provided however that the Division Director 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 the confining strata.

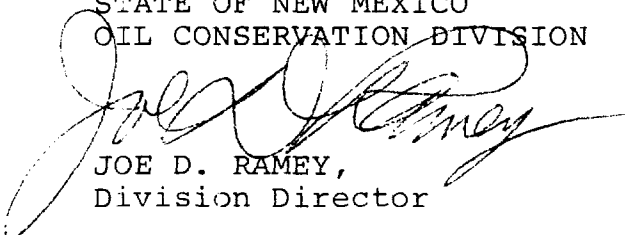
That the operator shall notify the supervisor of the Division's Artesia District Office before injection is commenced through said well.

That the operator shall immediately notify the Supervisor of the Division'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.

That the subject well shall be governed by all provisions of Division Order No. R-3245 and Rules 702, 703, 704, 705 and 706 not inconsistent herewith.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



JOE D. RAMEY,
Division Director

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