

Entered November 2, 1979
JHR

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

CASE NO. 6092
Order No. R-6171

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION ON ITS OWN MOTION TO
CONSIDER THE RECLASSIFICATION
OF CERTAIN PRESSURE MAINTENANCE
PROJECTS IN CHAVES, ROOSEVELT,
AND LEA COUNTIES, NEW MEXICO,
AS SECONDARY RECOVERY PROJECTS.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on November 30, 1977, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 2nd day of November, 1979, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) That the Oil Conservation Division heretofore authorized the following Southeast New Mexico pressure maintenance projects in the named pools by the designated order:

<u>PROJECT</u>	<u>POOL</u>	<u>ORDER NO.</u>
Amoco Cato Baskett	Cato-San Andres	R-3867-B
Amoco Cato Wasley	Cato-San Andres	R-3867-B
Union Texas Baskett	Cato-San Andres	R-4362
Amoco Milnesand Horton	Milnesand-San Andres	R-3456
Amoco Midwest Nonombre	Nonombre-Penn	R-3071
Coastal States Flying "M"	Flying "M"-San Andres	R-3229
Mobil Vacuum Mid Penn	Vacuum-Middle Penn	R-4688

(3) That each of the above-named pressure maintenance projects has declined to the point where it can no longer be correctly classified as a "pressure maintenance" project but can be correctly classified as a "secondary recovery" project.

(4) That due to certain recent changes in the rules governing reports, the reporting of injection and production is less complicated and time-consuming to operators of secondary recovery projects than is the similar reporting for pressure maintenance projects.

(5) That the processing of data relating to secondary recovery projects by the Oil Conservation Division of the New Mexico Energy and Minerals Department for the purpose of maintaining production records is less time-consuming than is the processing of similar data for pressure maintenance projects.

(6) That the reclassification of the pressure maintenance projects named in Finding No. (2) above as secondary recovery projects will result in a saving of time and effort by both the operators of the projects and by the Division in reporting and processing data relating to the projects, thereby preventing waste, and that said reclassification will not impair correlative rights.

(7) That even though some of the subject projects may not at this time be active projects, or even though some of the originally authorized injection wells may no longer be on active injection, the reclassification of said projects can most easily be carried out by rescinding the orders authorizing said projects as pressure maintenance projects and reauthorizing said projects as secondary recovery projects, subject to any particular rules previously promulgated for said projects which would still be applicable.

(8) That Order No. R-3867-B which authorized the Amoco Cato Baskett and Amoco Cato Wasley Pressure Maintenance Projects should be rescinded and approval given for the Amoco Cato Baskett and Amoco Cato Wasley Waterflood Projects.

(9) That Order No. R-3456 which authorized the Pan American Milnesand Horton Pressure Maintenance Project should be rescinded and approval given for the Amoco Milnesand Horton Waterflood Project.

(10) That Order No. R-3071 which authorized the Midwest Nonombre Pressure Maintenance Project should be rescinded and approval given for the Amoco Nonombre Waterflood Project.

(11) That Order No. R-3229 which authorized the Coastal States Flying "M" San Andres Pressure Maintenance Project should be rescinded and approval given for the Coastal States Flying "M" San Andres Waterflood Project.

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(12) That Order No. R-4688 which authorized the Mobil Vacuum-Middle Penn Pressure Maintenance Project should be rescinded and approval given for the Mobil Vacuum Middle Penn Waterflood Project.

(13) That Order No. R-4362 which authorized the Union Texas Cato Baskett Pressure Maintenance Project should be rescinded and approval given for the Union Texas Cato Baskett Waterflood Project.

IT IS THEREFORE ORDERED:

(1) That Orders Nos. R-3867-B, R-3456, R-3071, R-3229, R-4688, and R-4362 are hereby rescinded.

(2) That Amoco Production Company is hereby authorized to operate the Amoco Cato Baskett Waterflood Project and the Amoco Cato Wasley Waterflood Project, both in the Cato-San Andres Pool, Chaves County, New Mexico, in accordance with the following:

A. Injection into the Cato Baskett Project shall be through the following-described wells in Section 11, Township 8 South, Range 30 East, NMPM:

Baskett "D" Well No. 1, Unit G
Baskett "D" Well No. 2, Unit A
Baskett "D" Well No. 3, Unit O
Baskett "D" Well No. 4, Unit I
Baskett "B" Well No. 2, Unit C

B. Injection into the Cato Wasley Project shall be through the following-described wells in Section 14, Township 8 South, Range 30 East, NMPM:

Wasley Well No. 1, Unit C
Wasley Well No. 3, Unit A

C. Each of the aforesaid water injection wells shall be equipped with 2 3/8-inch plastic-lined tubing set in a packer. Further that the casing-tubing annulus of each of the aforesaid wells shall be filled with an inert fluid and the annulus equipped with a pressure gauge to facilitate detection of leakage in the tubing or packer.

- D. The Oil Conservation Division Director is hereby authorized to approve additional Amoco Production Company Waterflood Projects without notice and hearing on lands which are contiguous to existing waterflood projects operated by Amoco Production Company or Union Texas Petroleum Company in the Cato-San Andres Pool. To obtain such approval, the applicant shall file proper application with the Division, which application shall include the following:
1. A plat showing the proposed project area, all wells within the project area, offset operators, and wells which offset the proposed project area.
 2. A schematic drawing of the proposed injection wells which fully describes the casing, tubing, perforated interval, and depth showing that the injection of gas or water will be confined to the San Andres formation.
 3. A letter stating that all offset operators to the proposed project have been furnished a complete copy of the application and the date of notification.

The Division Director may approve the proposed project and promulgate special rules therefor if, within 20 days after receiving the application, no objection to the proposal is received. The Division Director may grant immediate approval, provided waivers of objection are received from all offset operators.

(3) That Amoco Production Company is hereby authorized to operate the Amoco Milnesand Horton Waterflood Project in the Milnesand-San Andres Pool, Chaves County, New Mexico, in accordance with the following:

- A. Injection shall be through the following-described wells in Section 29, Township 8 South, Range 35 East, NMPM:

R. E. Horton Federal Well No. 30, Unit K
R. E. Horton Federal Well No. 31, Unit M

- B. Each of the aforesaid water injection wells shall be equipped with tubing set in a packer, said packer being located within 100 feet of the uppermost perforation. Further, that the casing-tubing annulus shall be filled with an inert fluid and the annulus equipped with a pressure gauge or left open to facilitate detection of leakage in the tubing or packer.

(4) That Amoco Production Company is hereby authorized to operate the Amoco Nonombre Waterflood Project in the Nonombre-Pennsylvanian Pool, Lea County, New Mexico, in accordance with the following:

- A. Injection shall be through the following-described well in Section 29, Township 13 South, Range 34 East, NMPM:

Harris State Well No. 1, Unit N

- B. The aforesaid well shall be equipped with internally plastic-coated tubing and a packer, which shall be set at approximately 10,340 feet. Further, the casing-tubing annulus of said well shall be kept filled with a corrosion-inhibited fluid at all times.

(5) That Coastal States Gas Producing Company is hereby authorized to operate the Coastal States Flying "M" San Andres Waterflood Project in the Flying "M"-San Andres Pool, Lea County, New Mexico, in accordance with the following:

- A. Injection shall be through the following-described Flying "M" San Andres Unit wells in Township 9 South, Range 33 East, NMPM:

Tract 11 Well No. 1, Unit L, Section 15
Tract 5 Well No. 2, Unit D, Section 16
Tract 3 Well No. 3, Unit F, Section 17
Tract 12 Well No. 5, Unit F, Section 20
Tract 17 Well No. 2, Unit L, Section 22
Tract 1A Well No. 1, Unit B, Section 29
Tract 1B Well No. 4, Unit D, Section 33

(6) That Mobil Oil Corporation is hereby authorized to operate the Mobil Vacuum Middle Penn Waterflood Project in the Vacuum-Middle Pennsylvanian Pool, Lea County, New Mexico, in accordance with the following:

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- A. Injection shall be through the following-described well in Section 13, Township 17 South, Range 34 East, NMPM:

Bridges State Well No. 147, Unit F

- B. Injection into said well shall be through 2 3/8-inch tubing, set in a packer which shall be located at approximately 10,390 feet; that the casing-tubing annulus shall be loaded with an inert fluid and equipped with an approved pressure gauge or attention-attracting leak detection device and a pressure relief valve.
- C. The operator shall immediately notify the supervisor of the Division's Hobbs district office of the failure of the casing, tubing, or packer in said injection well, the leakage of gas, water or oil from or around any producing well, or the leakage of gas, water or oil from any plugged and abandoned well within the project area and shall take such timely steps as may be necessary or required to correct such failure or leakage.

(7) That Union Texas Petroleum, a Division of Allied Chemical Corporation, is hereby authorized to operate the Union Texas Cato Baskett Waterflood Project in the Cato-San Andres Pool, Chaves County, New Mexico, in accordance with the following:

- A. Injection shall be through the following-described well in Section 11, Township 8 South, Range 30 East, NMPM:

Baskett Well No. 1, Unit K

- B. The aforesaid water injection well shall be equipped with 2 3/8-inch plastic-lined tubing set in a packer, said packer being set at approximately 3335 feet. Further, that the casing-tubing annulus shall be filled with an inert fluid and the annulus equipped with a pressure gauge to facilitate detection of leakage in the tubing or packer.

C. The Oil Conservation Division is hereby authorized to approve additional Union Texas Petroleum Waterflood Projects and promulgate special rules therefor without notice and hearing on lands which are contiguous to existing Union Texas Petroleum or Amoco Production Company waterflood projects in the Cato-San Andres Pool. To obtain such approval, the applicant shall file proper application with the Division which application shall include the following:

1. A plat showing the proposed project area, all wells within the project area, offset operators, and wells which offset the proposed project area.
2. A schematic drawing of the proposed injection wells which fully describes the casing, tubing, perforated interval, and depth showing that the injection of gas or water will be confined to the San Andres formation.
3. A letter stating that all offset operators to the proposed project have been furnished a complete copy of the application and the date of notification.

The Division Director may approve the proposed project and promulgate special rules therefor if, within 20 days after receiving the application, no objection to the proposal is received. The Director may grant immediate approval, provided waivers of objection are received from all offset operators.

(8) That each of the above-described waterflood projects shall be operated in accordance with Rules 701, 702, and 703 of the Division Rules and Regulations.

(9) That monthly reports concerning said waterflood projects shall be filed in accordance with Rule 1115 of the Division Rules and Regulations.

(10) That the injection wells herein authorized for each of the subject projects as well as such additional wells which have been previously authorized for pressure maintenance

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injection are hereby approved for injection purposes until further order of the Division.

(11) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



JOE D. RAMEY
Director

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