

Entered February 15, 1982
JDR

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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

CASE NO. 7466
Order No. R-6906

APPLICATION OF CONOCO INC. FOR A
WATERFLOOD PROJECT, LEA COUNTY,
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on January 20, 1982, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 15th day of February, 1982, 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 applicant, Conoco Inc., seeks authority for it and Southland Royalty Company to each institute a cooperative waterflood project in the Blinebry Oil and Gas Pool by the injection of water into the Blinebry formation through nine injection wells located on Conoco's Warren Unit and Hawk B-3 Leases and Southland's State Lease in Sections 33 and 34 of, Township 21 South, Range 38 East, and Sections 2 and 3 of Township 21 South, Range 37 East, NMPM, Lea County, New Mexico.

(3) That the wells in the project area are in an advanced state of depletion and should properly be classified as "stripper" wells.

(4) That the proposed cooperative waterflood project should result in the recovery of otherwise unrecoverable oil, thereby preventing waste.

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(5) That the operators should 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 from injection, production, or plugged and abandoned wells.

(6) That the injection wells or injection pressurization system should be so equipped as to limit injection pressure at the wellhead to no more than 2000 psi, provided that the supervisor of the Division's district office at Hobbs should be notified of any injection pressure above 1000 psi in any well and should have the opportunity to require a step-rate test to be conducted on such well.

(7) That the subject application should be approved and the cooperative project should be governed by the provisions of Rules 701, 702, and 703 of the Division Rules and Regulations.

IT IS THEREFORE ORDERED:

(1) That the applicants, Conoco Inc. and Southland Royalty Company are hereby authorized to each institute a cooperative waterflood project in the Blinebry Oil and Gas Pool by the injection of water into the Blinebry formation through nine injection wells located on Conoco's Warren Unit and Hawk B-3 Leases and Southland's State Lease in Sections 33 and 34 of Township 20 South, Range 38 East, and Sections 2 and 3 of Township 21 South, Range 37 East, NMPM, Lea County, New Mexico, as follows:

CONOCO INC.

Warren Unit Well No. 13, Unit O, Section 34
Warren Unit Well No. 14, Unit M, Section 34
Warren Unit Well No. 17, Unit I, Section 33
Warren Unit Well No. 20, Unit E, Section 34
Warren Unit Well No. 66, Unit O, Section 33
Warren Unit Well No. 75, Unit L, Section 34
Warren Unit Well No. 80, Unit G, Section 33
Hawk B-3 Well No. 15, Unit B, Section 3

SOUTHLAND ROYALTY COMPANY

State Well No. 6, Unit D, Section 2

(2) That injection into each of said wells shall be through internally coated tubing, set in a packer which shall be located as near as practicable to the uppermost perforation; that the casing-tubing annulus of each injection well shall be

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loaded with an inert fluid and equipped with an approved pressure gauge or attention-attracting leak detection device.

(3) That the operator shall immediately notify the supervisor of the Division's Hobbs district office of the failure of the tubing or packer in any of said injection wells, the leakage of water or oil from around any producing well, or the leakage of 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.

(4) That the injection wells herein authorized and/or the injection pressurization system shall be so equipped as to limit injection pressure at the wellhead to no more than 2000 psi, provided that the supervisor of the Division's district office at Hobbs shall be notified of any injection pressure above 1000 psi in any well and may require a step-rate test to be conducted on such well.

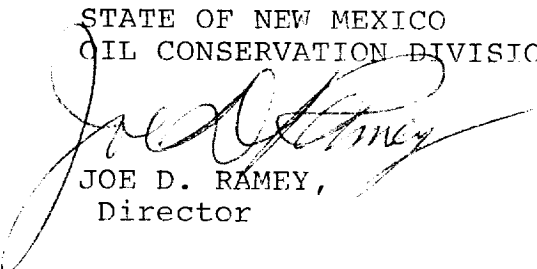
(5) That the subject cooperative waterflood project is hereby designated the Conoco-Southland Blinberry Cooperative Waterflood Project and shall be governed by the provisions of Rules 701, 702, 703, 704, 705, and 706 of the Division Rules and Regulations.

(6) That monthly progress reports of the cooperative waterflood project herein authorized shall be submitted to the Division in accordance with Rules 706 and 1115 of the Division Rules and Regulations.

(7) 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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