

Entered October 28, 1982
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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. 7599
Order No. R-7115

APPLICATION OF BARBER OIL INC.
FOR AN EXCEPTION TO RULE 705-A,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on July 21, 1982, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 28th day of October, 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, Barber Oil Inc., is the operator of a waterflood project in the Russell Pool, Eddy County, New Mexico, which flood was originally authorized by Order No. R-263, dated February 10, 1953, and which has been expanded on several occasions pursuant to subsequent orders of the Division.
- (3) That by applications dated March 4, 1982, and April 1, 1982, applicant requested administrative approval for an exception to Rule 705-A of the Division Rules and Regulations to permit 37 former injection wells to remain on standby status without having the cement plug or bridge plug installed therein as required by said rule for any temporarily abandoned injection well.
- (4) That on April 12, 1982, the Division Director denied the application for administrative approval for such exception, citing as the reason for such denial failure of the applicant to demonstrate good cause to be entitled to such exception.
- (5) That subsequent to said denial, applicant filed an application for a hearing in this matter, requesting that as an

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exception to the provisions of Rule 705-A of the Division Rules and Regulations, 37 temporarily abandoned water injection wells in its Russell Pool Waterflood Project be permitted to remain inactive for a period of up to three years without the required cement or bridge plug being installed therein to isolate the injection zone.

(6) That according to the evidence presented at the hearing, of the original 5.3 million barrels of oil in place in the Russell Pool, applicant produced 800,000 barrels on primary recovery and has produced 1.5 million barrels on secondary recovery, leaving approximately 3 million barrels still in the reservoir.

(7) That the applicant has under study a plan for the installation of a tertiary recovery system in the Russell Pool, by means of which perhaps another 1.5 to 1.6 million barrels of oil could be recovered.

(8) That said tertiary recovery system would begin as a pilot project, utilizing eight of the 37 wells which are the subject of this case, and if successful, would be expanded to include some or all of the remaining 29 wells.

(9) That the applicant should be permitted to retain said wells for use in the tertiary recovery system, provided however, that there should be a time limit on such retention without cement or bridge plugs and provided further, that the integrity of the existing casing in the wells should be established by adequate testing.

(10) That three years should be adequate time in which to determine the success of the pilot tertiary recovery system and the feasibility of expansion thereof to include the entire pool.

(11) That the integrity of the casing in each of the wells should be established by successful completion of such testing procedure as may be required by the Supervisor of the Division's Artesia District Office.

(12) That subject to the provisions of Findings Nos. (10) and (11) above, approval of the application will not cause waste nor impair correlative rights and should be granted.

IT IS THEREFORE ORDERED:

(1) That the applicant, Barber Oil Inc., is hereby authorized to retain on a temporarily abandoned status, without the installation of a cement plug or bridge plug to isolate the injection zone, the following described wells, all in Township

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20 South, Range 28 East, NMPM Russell Pool, Eddy County, New Mexico.

| <u>Lease</u> | <u>Well No.</u> | <u>Location</u> | <u>Section</u> |
|--------------|-----------------|-----------------------|----------------|
| Crosby Fed | 1 | 330' FSL & 2310' FEL | 12 |
| " " | 2 | 330' FSL & 1650' FEL | 12 |
| " " | 4 | 663' FSL & 2000' FEL | 12 |
| Turner Fed | 2 | 1980' FSL & 1980' FWL | 13 |
| " " | 3 | 1980' FSL & 1970' FEL | 13 |
| " " | 6 | 660' FNL & 1980' FWL | 13 |
| " " | 12 | 2322' FSL & 2339' FWL | 13 |
| " " | 13 | 332' FNL & 2340' FWL | 13 |
| " " | 15 | 331' FSL & 1669' FWL | 13 |
| " " | 18 | 1658' FNL & 2339' FWL | 13 |
| " " | 21 | 959' FSL & 2339' FWL | 13 |
| " " | 22 | 2322' FSL & 1669' FEL | 13 |
| Wills Fed | 2 | 660' FSL & 660' FWL | 13 |
| " " | 5 | 990' FNL & 330' FWL | 13 |
| " " | 6 | 996' FSL & 1005' FWL | 13 |
| " " | 8 | 996' FNL & 1005' FEL | 13 |
| " " | 10x | 2322' FSL & 1005' FWL | 13 |
| " " | 14 | 330' FSL & 330' FEL | 13 |
| " " | 15 | 996' FSL & 330' FEL | 13 |
| " " | 17 | 1656' FSL & 330' FWL | 13 |
| " " | 18 | 338' FSL & 352' FWL | 13 |
| " " | 19 | 2322' FNL & 2333' FEL | 13 |
| " " | 21 | 1656' FNL & 1665' FEL | 13 |
| " " | 23 | 330' FNL & 1665' FEL | 13 |
| " " | 25 | 660' FNL & 2000' FEL | 13 |
| " " | 26 | 1305' FNL & 1980' FEL | 13 |
| " " | 27 | 1325' FSL & 660' FWL | 13 |
| " " | 30 | 2310' FNL & 990' FEL | 13 |
| " " | 33 | 1330' FSL & 1980' FWL | 13 |
| " " | 34 | 2630' FNL & 1980' FWL | 13 |
| " " | 35 | 1980' FNL & 2630' FEL | 13 |
| " " | 36 | 660' FNL & 1310' FEL | 13 |
| " " | 37 | 660' FNL & 2630' FEL | 13 |
| " " | 39 | 2630' FNL & 1980' FEL | 13 |
| " " | 41 | 1310' FNL & 1310' FEL | 13 |
| " " | 42 | 1330' FSL & 1330' FWL | 13 |
| " " | 45 | 1328' FNL & 2635' FEL | 13 |

PROVIDED HOWEVER, that within 90 days after entry of this Order, applicant shall take such tests on each of the above-described wells as may be required by the Supervisor of the Division's Artesia District Office to ensure the integrity of the casing in said wells, and provided further, that if any such well tests in such a manner as to indicate poor condition

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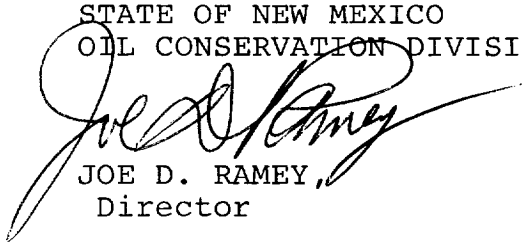
of the casing, remedial steps shall be taken immediately to remedy this condition.

PROVIDED FURTHER, that this authority for the applicant to maintain the aforesaid wells in a shut-in condition without having cement plugs or bridge plugs installed therein shall expire three years after entry of this order.

(2) 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

A handwritten signature in dark ink, appearing to read "Joe D. Ramey", is written over the typed name and title.

JOE D. RAMEY,
Director

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