



Texaco Exploration and Production Inc  
Midland Producing Division

OIL CONSERVATION DIVISION  
500 N. Loraine  
Midland TX 79701  
RECEIVED P O Box 3109  
Midland TX 79702

January 13, 1994

'94 JAN 20 AM 9 15

GOV - STATE AND LOCAL GOVERNMENTS

Unorthodox Locations

W. H. Rhodes Federal "B" NCT-2

Well No. 7

Rhodes Yates Seven Rivers Field

Lea County, New Mexico

State of New Mexico

Energy and Minerals Department

Oil Conservation Division

P. O. Box 2088

Santa Fe, New Mexico 87501-2088

Attention: Mr. Michael E. Stogner

Gentlemen:

An exception, by administrative approval, to Rule 104 F.I. is requested for the captioned well. This well is on Federal minerals.

The well must be drilled in this location to ensure proper development on 20-acre spacing to recover additional reserves in an established waterflood. These reserves could not be recovered with the current 80-acre, 5-spot pattern.

The "affected" offset operators to this well are Meridian Oil, Inc. and Texaco E & P Inc. Texaco grants itself a waiver to this request. Meridan has been notified of this request. (See attached letter and return receipt.)

Attached is Forms C-102, showing the location for the well and a lease plat showing the existing wells.

Yours very truly,

*C. P. Basham / cwh*

C. P. Basham  
Drilling Operations Manager

CWH:

CC: BLM, P. O. Box 1778, Carlsbad, NM 88220



Texaco Exploration and Production Inc  
Midland Producing Division

500 N Loraine  
Midland TX 79701

P O Box 3109  
Midland TX 79702

January 13, 1994

GOV - STATE AND LOCAL GOVERNMENTS

Unorthodox Locations

W. H. Rhodes Federal "B" NCT-2

Well No. 7

Rhodes Yates Seven Rivers Field

Lea County, New Mexico

Meridian Oil, Inc.

P. O. Box 51810

Midland, Texas 79710

Gentlemen:

As an "affected offset operator" to the captioned well, you are being furnished with a copy of our Application for an Exception to Rule 104, F.I. If you have no objection, please sign the waiver at the bottom of this letter and return in the enclosed envelope.

Any questions concerning this request should be directed to Mr. C. W. Howard at (915) 688-4606.

Yours very truly,

*C.P. Basham /cwh*

C. P. Basham  
Drilling Operations Manager

CWH:cwh

File

**WAIVER APPROVED:**

**COMPANY:** \_\_\_\_\_

**BY:** \_\_\_\_\_

**DATE:** \_\_\_\_\_

**SENDER:** Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.

Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1.  Show to whom delivered, date, and addressee's address.      2.  Restricted Delivery  
(Extra charge)      (Extra charge)

3. Article Addressed to:

MERIDIAN Oil, Inc.  
P.O. Box 51810  
MIDLAND, TX 79710

4. Article Number

9237 053 896

Type of Service:

- Registered       Insured  
 Certified       COD  
 Express Mail       Return Receipt  
for Merchandise

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature - Addressee

X

6. Signature - Agent

X

7. Date of Delivery

1-14-94

8. Addressee's Address (ONLY if requested and fee paid)

PS Form 3811, Apr. 1989

\*U.S.G.P.O. 1989-238-815

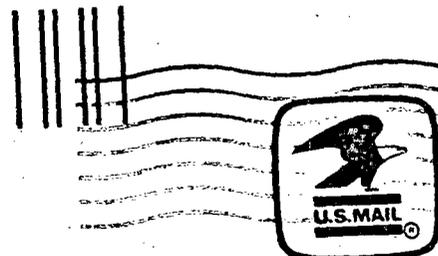
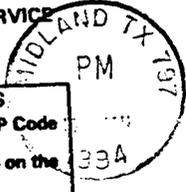
DOMESTIC RETURN RECEIPT

UNITED STATES POSTAL SERVICE  
OFFICIAL BUSINESS

**SENDER INSTRUCTIONS**

Print your name, address and ZIP Code in the space below.

- Complete items 1, 2, 3, and 4 on the reverse.
- Attach to front of article if space permits, otherwise affix to back of article.
- Endorse article "Return Receipt Requested" adjacent to number.



PENALTY FOR PRIVATE USE, \$300

RETURN TO 

Print Sender's name, address, and ZIP Code in the space below.

TEXACO E+P INC.  
P.O. Box 3109  
MIDLAND, TX 79702

ATTN: WADE HOWARD

Submit to Appropriate  
District Office  
State Lease-4 copies  
Fee Lease-3 copies

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-102  
Revised 1-1-89

OIL CONSERVATION DIVISION

P. O. Box 2088  
Santa Fe, New Mexico 87504-2088

DISTRICT I  
P. O. Box 1980, Hobbs, NM 88240

DISTRICT II  
P. O. Drawer DD, Artesia, NM 88210

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All distances must be from the outer boundaries of the section

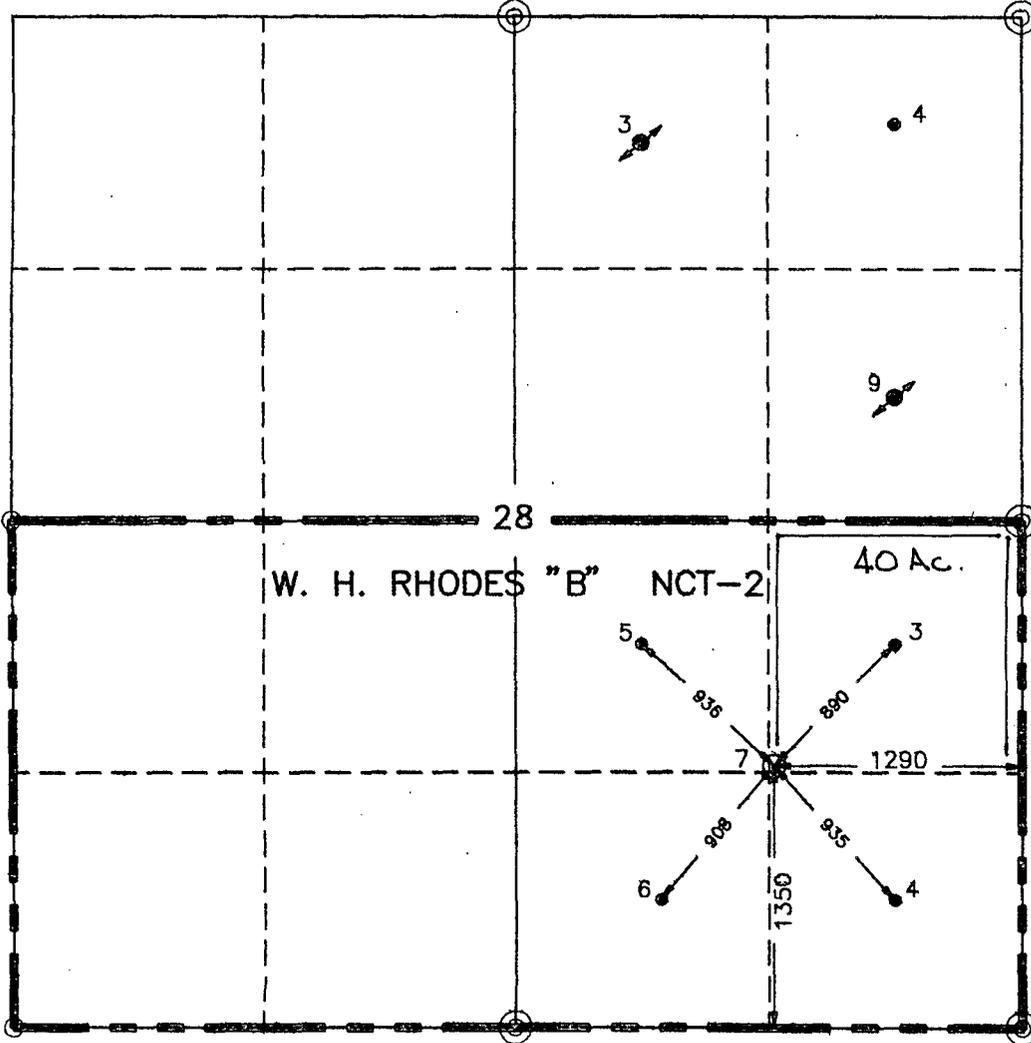
|  |               |                      |                                 |               |               |
|--|---------------|----------------------|---------------------------------|---------------|---------------|
| Operator<br>TEXACO EXPLORATION AND PRODUCTION Inc. |               |                      | Lease<br>W. H. Rhodes "B" NCT-2 |               | Well No.<br>7 |
| Unit Letter<br>I                                   | Section<br>28 | Township<br>26-South | Range<br>37-East                | County<br>Lea |               |

Actual Footage Location of Well:

1350' feet from the South line and 1290' feet from the East line

|                            |                                     |                                   |                                |
|----------------------------|-------------------------------------|-----------------------------------|--------------------------------|
| Ground level Elev.<br>2960 | Producing Formation<br>Yates/7 RVRS | Pool<br>Rhodes Yates Seven Rivers | Dedicated Acreage:<br>40 Acres |
|----------------------------|-------------------------------------|-----------------------------------|--------------------------------|

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc?  
 Yes  No If answer is "yes" type of consolidation \_\_\_\_\_  
 If answer is "no" list the owners and tract descriptions which have actually been consolidated (use reverse side of this form if necessary).  
 No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature  
*Royce D. Mariott*

Printed Name  
Royce D. Mariott

Position  
Division Surveyor

Company  
Texaco Exp. & Prod.

Date  
January 5, 1994

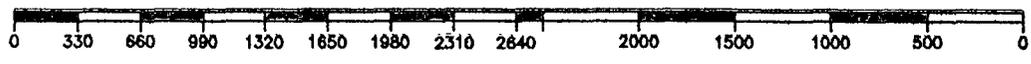
SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed  
Dec. 21, 1993

Signature & Seal of Professional Surveyor  
*John S. Piper*

Certificate No.  
7254 John S. Piper





BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF NEW MEXICO FOR  
THE PURPOSE OF CONSIDERING:

CASE No. 3086  
Order No. R-2748

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

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on July 22, 1964, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 29th day of July, 1964, the Commission, a quorum being present, 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 Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Texaco Inc., seeks permission to institute a waterflood project in the Rhodes Yates Oil Pool by the injection of water into the Yates and Seven Rivers formations through two injection wells in Section 26, Township 26 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 waterflood project should result in the recovery of otherwise unrecoverable oil, thereby preventing waste.

-2-

CASE No. 3086

Order No. R-2748

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

IT IS THEREFORE ORDERED:

(1) That the applicant, Texaco Inc., is hereby authorized to institute a waterflood project in the Rhodes Yates Oil Pool by the injection of water into the Yates and Seven Rivers formations through the following-described wells in Section 26, Township 26 South, Range 37 East, NMPM, Lea County, New Mexico:

W. H. Rhodes "b" (NCT-1) Well No. 7, Unit L

W. H. Rhodes "b" (NCT-1) Well No. 10, Unit N

(2) That the subject waterflood project shall be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

(3) That monthly progress reports of the waterflood project herein authorized shall be submitted to the Commission in accordance with Rules 704 and 1119 of the Commission Rules and Regulations.

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

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

JACK M. CAMPBELL, Chairman

E. S. WALKER, Member

S E A L

A. L. PORTER, Jr., Member & Secretary

esr/

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF NEW MEXICO FOR  
THE PURPOSE OF CONSIDERING:

CASE No. 4271  
Order No. R-2748-A

APPLICATION OF TEXACO INC. FOR A  
WATERFLOOD EXPANSION AND AMENDMENT  
OF ORDER NO. R-2748, LEA COUNTY,  
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on November 25, 1969, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 3rd day of December, 1969, the Commission, a quorum being present, 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 Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Texaco Inc., is the operator of the Texaco Rhodes "B" Federal Waterflood Project in the Rhodes (Yates-Seven Rivers) Pool, Lea County, New Mexico, approved by Commission Order No. R-2748.

(3) That the applicant now seeks authority to expand said waterflood project by the injection of water into the Yates and Seven Rivers formations through three additional wells in Units B, H, and P of Section 27, Township 26 South, Range 37 East, NMPM, Lea County, New Mexico.

(4) That the applicant further seeks to institute an additional waterflood project in said pool by the injection of

water into the Yates and Seven Rivers formations through one well located in Unit N of Section 22 of said Township and Range.

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

(6) That the proposed expansion of the Rhodes "B" Federal Waterflood Project authorized by said Order No. R-2748 and the institution of the proposed new waterflood project should result in the recovery of otherwise unrecoverable oil, thereby preventing waste.

(7) That the applicant further seeks the establishment of an administrative procedure whereby said projects could be expanded to include additional lands and injection wells in the area of said projects as may be necessary in order to complete an efficient injection pattern; that said administrative procedure should provide for administrative approval for conversion to water injection in exception to the well response requirements of Rule 701 E-5 of the Commission Rules and Regulations.

(8) That the subject application should be approved and the projects should be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations; provided, however, that the showing of well response as required by Rule 701 E-5 shall not be necessary before obtaining administrative approval for the conversion of additional wells to water injection.

IT IS THEREFORE ORDERED:

(1) That the applicant, Texaco Inc., is hereby authorized to expand its Rhodes "B" Federal Waterflood Project in the Rhodes (Yates-Seven Rivers) Pool, authorized by Order No. R-2748, by the injection of water into the Yates and Seven Rivers formations through the following-described three additional wells in Section 27, Township 26 South, Range 37 East, NMPM, Lea County, New Mexico:

- W. H. Rhodes "b" (NCT-1) Well No. 5 located in Unit B
- W. H. Rhodes "b" (NCT-1) Well No. 4 located in Unit H
- W. H. Rhodes "b" (NCT-1) Well No. 9 located in Unit P

(2) That the applicant, Texaco Inc., is hereby authorized to institute a waterflood project in the Rhodes (Yates-Seven Rivers)

Pool, to be designated the Texaco Rhodes "A" Federal Waterflood Project, by the injection of water into the Yates and Seven Rivers formations through its W. H. Rhodes "A" Federal Well No. 4 located in Unit N of Section 22, Township 26 South, Range 37 East, NMPM, Lea County, New Mexico.

(3) That the subject waterflood projects shall be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations;

PROVIDED HOWEVER, that the Secretary-Director of the Commission may approve expansion of the above-described waterflood projects to include such additional lands and injection wells in the area of said projects as may be necessary to complete an efficient water injection pattern; that the showing of well response as required by Rule 701 E-5 shall not be necessary before obtaining administrative approval for the conversion of additional wells to water injection.

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

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

DAVID F. CARGO, Chairman

ALEX J. ARMIJO, Member

A. L. PORTER, Jr., Member & Secretary

S E A L

esr/



Texaco Exploration and Production Inc  
Midland Producing Division

500 N Loraine  
Midland TX 79701

RECEIVED Box 3109  
Midland TX 79702

'94 JAN 27 AM 9 58

January 25, 1994

GOV - STATE AND LOCAL GOVERNMENTS

Unorthodox Locations - Waiver  
W. H. Rhodes Federal "B" NCT-2  
Well No. 7  
Waterflood Division Order WFX 645  
Lea County, New Mexico

State of New Mexico  
Energy and Minerals Department  
Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87501-2088

Attention: Mr. Michael E. Stogner

Gentlemen:

Attached is the approved waiver from Meridian Oil, Inc. They were the only "affected" offset operator to this well. Please process our application for an unorthodox location.

Yours very truly,

*C. P. Basham / CWH*

C. P. Basham  
Drilling Operations Manager

CWH:cwh



Texaco Exploration and Production Inc  
Midland Producing Division

500 N Loraine  
Midland TX 79701

P O Box 3109  
Midland TX 79702

January 13, 1994

GOV - STATE AND LOCAL GOVERNMENTS

Unorthodox Locations

W. H. Rhodes Federal "B" NCT-2

Well No. 7

Rhodes Yates Seven Rivers Field

Lea County, New Mexico

Meridian Oil, Inc.

P. O. Box 51810

Midland, Texas 79710

Gentlemen:

As an "affected offset operator" to the captioned well, you are being furnished with a copy of our Application for an Exception to Rule 104, F.I. If you have no objection, please sign the waiver at the bottom of this letter and return in the enclosed envelope.

Any questions concerning this request should be directed to Mr. C. W. Howard at (915) 688-4606.

Yours very truly,

*C.P. Basham /cwh*

C. P. Basham  
Drilling Operations Manager

CWH:cwh

File

WAIVER APPROVED:

COMPANY: Meridian Oil Inc.

BY: Connie Malik

DATE: 1-19-94

RECEIVED

JAN 14 1994

PROD. SERV.

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION OF NEW MEXICO FOR THE PURPOSE OF CONSIDERING:

ORDER OF THE COMMISSION

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

WELLS

LEAS

|     |      |   |   |
|-----|------|---|---|
| 1   | 1980 | 1 | 1 |
| 2   | 1980 | 1 | 1 |
| 3   | 1980 | 1 | 1 |
| 4   | 1980 | 1 | 1 |
| 5   | 1980 | 1 | 1 |
| 6   | 1980 | 1 | 1 |
| 7   | 1980 | 1 | 1 |
| 8   | 1980 | 1 | 1 |
| 9   | 1980 | 1 | 1 |
| 10  | 1980 | 1 | 1 |
| 11  | 1980 | 1 | 1 |
| 12  | 1980 | 1 | 1 |
| 13  | 1980 | 1 | 1 |
| 14  | 1980 | 1 | 1 |
| 15  | 1980 | 1 | 1 |
| 16  | 1980 | 1 | 1 |
| 17  | 1980 | 1 | 1 |
| 18  | 1980 | 1 | 1 |
| 19  | 1980 | 1 | 1 |
| 20  | 1980 | 1 | 1 |
| 21  | 1980 | 1 | 1 |
| 22  | 1980 | 1 | 1 |
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| 28  | 1980 | 1 | 1 |
| 29  | 1980 | 1 | 1 |
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| 93  | 1980 | 1 | 1 |
| 94  | 1980 | 1 | 1 |
| 95  | 1980 | 1 | 1 |
| 96  | 1980 | 1 | 1 |
| 97  | 1980 | 1 | 1 |
| 98  | 1980 | 1 | 1 |
| 99  | 1980 | 1 | 1 |
| 100 | 1980 | 1 | 1 |

This cause came on for hearing at 9 a.m. on April 11, 1973, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 17th day of May, 1973, the Commission, a quorum being present, 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 Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Texaco Inc., seeks authority to institute a waterflood project in the Rhodes Yates Unit Area, Rhodes-Yates Pool, by the injection of water into the Yates-Seven Rivers formations through seven injection wells in Sections 21, 27 and 28, Township 26 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 waterflood project should result in the recovery of otherwise unrecoverable oil, thereby preventing waste.
- (5) That the subject application should be approved and the project should be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

IT IS THEREFORE ORDERED:

(1) That the applicant, Texaco Inc., is hereby authorized to institute a waterflood project in the Rhodes Yates Unit Area, Rhodes-Yates Pool, by the injection of water into the Yates-Seven Rivers formations through the following-described seven wells in Township 26 South, Range 37 East, NMPM, Lea County, New Mexico:

| <u>LEASE</u>                | <u>WELL NO.</u> | <u>LOCATION</u>                 |
|-----------------------------|-----------------|---------------------------------|
| State "JD" Unit             | 2               | 660' FNL and 660' FWL, Sec. 27  |
| State "JD" Unit             | 4               | 650' FNL and 2310' FWL, Sec. 27 |
| N.M. "AD" State             | 1               | 660' FNL and 1980' FWL, Sec. 28 |
| Morris                      | 2               | 1980' FNL and 660' FWL, Sec. 27 |
| Morris                      | 3               | 990' FSL and 2970' FEL, Sec. 27 |
| State "A" 28                | 1               | 1980' FNL and 660' FEL, Sec. 28 |
| H.G. Moberly "C"<br>(NCT-2) | 3               | 660' FSL and 660' FEL, Sec. 21  |

(2) That injection into each of said wells shall be through internally plastic-coated tubing set in a packer which shall be located as near as is practicable to the uppermost perforation, or in the case of open-hole completions, as near as is practicable to the casing-shoe; that the casing-tubing annulus of each injection well shall be loaded with an inert fluid and equipped with a pressure gauge at the surface.

(3) That the subject waterflood project is hereby designated the Texaco Rhodes-Yates Waterflood Project and shall be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

(4) That monthly progress reports of the waterflood project herein authorized shall be submitted to the Commission in accordance with Rules 704 and 1120 of the Commission Rules and Regulations.

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

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

I. R. TRUJILLO, Chairman

S E A L

ALEX J. ARMIJO, Member

dr/

A. L. PORTER, Jr., Member & Secretary

**RHODES YATES-SEVEN RIVERS POOL**  
(Texaco - Rhodes Yates Unit Waterflood Project Expansion)  
Lea County, New Mexico

Order No. R-9848, Authorizing Texaco Exploration & Production, Inc. to Expand its Rhodes Yates Unit Waterflood Project in the Rhodes Yates-Seven Rivers Pool, Lea County, New Mexico, February 18, 1993.

Application of Texaco Exploration & Production Inc. for Waterflood Expansion, Lea County, New Mexico.

CASE NO. 10573  
Order No. R-9848

**ORDER OF THE DIVISION**

**BY THE DIVISION:**

This cause came on for hearing at 8:15 a.m. on February 4, 1993, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 18th day of February, 1993, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

**FINDS THAT:**

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

(2) Division Case Nos. 10572 and 10573 were consolidated at the time of the hearing for the purpose of testimony.

(3) By Order No. R-4521 dated May 17, 1973, the Division authorized Texaco Inc. to institute a waterflood project in its Rhodes Yates Unit Area, comprising portions of Sections 21, 27 and 28, Township 26 South, Range 37 East, NMPM, Lea County, New Mexico, by the injection of water into the Rhodes Yates-Seven Rivers Pool through seven initial injection wells.

(4) The applicant, Texaco Exploration & Production Inc., seeks authority to expand its Rhodes Yates Unit Waterflood Project by converting the Rhodes Yates Unit Well Nos. 8 and 13 located, respectively, 1875 feet from the North line and 765 feet from the West line (Unit E), and 660 feet from the South and West lines (Unit M), both in Section 27, Township 26 South, Range 37 East, NMPM, Rhodes Yates-Seven Rivers Pool, Lea County, New Mexico, from producing oil wells to water injection wells.

(5) The application to expand the Rhodes Yates Unit Waterflood Project was originally filed on August 31, 1992, for Division administrative approval, however, an objection to the proposed expansion from Doyle Hartman, Oil Operator, necessitated the placement of this application on the Division Examiner Docket.

(6) Doyle Hartman, Oil Operator, appeared through counsel at the hearing but presented no evidence or testimony in this case.

(7) The Rhodes Yates Unit Waterflood Project is located directly adjacent to the applicant's W. H. Rhodes "B" Federal Waterflood Project approved by Division Order No. R-2748 and located in portions of Sections 26 and 27, Township 26 South, Range 37 East, NMPM, Lea County, New Mexico.

(8) Within the Rhodes Yates Unit Well No. 8, the applicant proposes to inject water into the Rhodes Yates-Seven Rivers Pool through the perforated and open hole interval from approximately 3,092 feet to 3,320 feet.

(9) Within the Rhodes Yates Unit Well No. 13, the applicant proposes to inject into the Rhodes Yates-Seven Rivers Pool through the perforated interval from approximately 3,167 feet to 3,349 feet.

(10) The proposed waterflood expansion, effectively carried out in conjunction with the drilling of infill producing wells, will enable the

applicant to establish an efficient production and injection pattern which should result in the recovery of additional oil reserves from the project area, thereby preventing waste.

(11) The applicant 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.

(12) The injection of water into the Rhodes Yates Unit Well Nos. 8 and 13 should be accomplished through 2 3/8-inch internally cement-lined tubing installed in a packer set within 100 feet of the uppermost injection perforation; the casing-tubing annulus should be filled with an inert fluid and a gauge or approved leak-detection device should be attached to the annulus in order to determine leakage in the casing, tubing or packer.

(13) Prior to commencing injection operations into the Rhodes Yates Unit Well Nos. 8 and 13, the casing in each well should be pressure tested throughout the interval from the surface down to the proposed packer setting depth, to assure the integrity of such casing.

(14) The injection wells or pressurization system should be initially equipped with a pressure control device or acceptable substitute which will limit the surface injection pressure to no more than 610 psi.

(15) The Division Director should have the authority to administratively authorize a pressure limitation in excess of the pressure limitation described in Finding No. (14) above upon a showing by the operator that such higher pressure will not result in the fracturing of the injection formation or confining strata.

(16) The operator should give advance notification to the supervisor of the Hobbs District Office of the Division of the date and time of the installation of injection equipment and of the mechanical integrity pressure tests in order that the same may be witnessed.

(17) The proposed waterflood expansion should be approved and waterflood operations should be governed by the provisions of Division Order No. R-4521 and Rule Nos. 701 through 708 of the Oil Conservation Division Rules and Regulations.

**IT IS THEREFORE ORDERED THAT:**

(1) The applicant, Texaco Exploration & Production Inc., is hereby authorized to expand its Rhodes Yates Unit Waterflood Project by converting the Rhodes Yates Unit Well Nos. 8 and 13 located, respectively, 1875 feet from the North line and 765 feet from the West line (Unit E), and 660 feet from the South and West lines (Unit M), both in Section 27, Township 26 South, Range 37 East, NMPM, Rhodes Yates-Seven Rivers Pool, Lea County, New Mexico, from producing oil wells to water injection wells.

(2) Injection into the Rhodes Yates Unit Well No. 8 shall occur into the perforated and open hole interval from approximately 3,092 feet to 3,320 feet, and injection into the Rhodes Yates Unit Well No. 13 shall occur into the perforated interval from approximately 3,167 feet to 3,349 feet.

(3) The applicant 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 from injection, production, or plugged and abandoned wells.

(4) Injection into the Rhodes Yates Unit Well Nos. 8 and 13 shall be accomplished through 2 3/8-inch internally cement-lined tubing installed in a packer set within 100 feet of the uppermost injection perforation; the casing-tubing annulus shall be filled with an inert fluid and a gauge or approved leak-detection device should be attached to the annulus in order to determine leakage in the casing, tubing or packer.

(5) Prior to commencing injection operations into the Rhodes Yates Unit Well Nos. 8 and 13, the casing in each well shall be pressure tested throughout the interval from the surface down to the proposed packer setting depth, to assure the integrity of such casing.

**(RHODES YATES-SEVEN RIVERS (TEXACO-RHODES YATES UNIT WATERFLOOD PROJECT EXPANSION) POOL - Cont'd.)**

(6) The injection wells or pressurization system shall be initially equipped with a pressure control device or acceptable substitute which will limit the surface injection pressure to no more than 610 psi.

(7) The Division Director shall have the authority to administratively authorize a pressure limitation in excess of the pressure limitation described above upon a showing by the operator that such higher pressure will not result in the fracturing of the injection formation or confining strata.

(8) The operator shall give advance notification to the supervisor of the Hobbs District Office of the Division of the date and time of the installation of injection equipment and of the mechanical integrity pressure tests in order that the same may be witnessed.

(9) Waterflood operations shall be governed by the provisions of Division Order No. R-4521 and Rule Nos. 701 through 708 of the Oil Conservation Division Rules and Regulations.

(10) Jurisdiction is hereby 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.

**RHODES YATES-SEVEN RIVERS POOL  
(Texaco - W. H. Rhodes "B" Federal Waterflood Project Expansion)  
Lea County, New Mexico**

Order No. R-9847, Authorizing Texaco Exploration & Production Inc. to Expand the W. H. Rhodes "B" Federal Waterflood Project in the Rhodes Yates-Seven Rivers Pool, Lea County, New Mexico, February 17, 1993.

Application of Texaco Exploration & Production Inc. for Waterflood Expansion, Lea County, New Mexico.

CASE NO. 10572  
Order No. R-9847

**ORDER OF THE DIVISION**

**BY THE DIVISION:**

This cause CAME on for hearing at 8:15 a.m. on February 4, 1993, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 17th day of February, 1993, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

**FINDS THAT:**

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

(2) Division Case Nos. 10572 and 10573 were consolidated at the time of the hearing for the purpose of testimony.

(3) By Order No. R-2748 dated July 29, 1964, the Division authorized Texaco Inc. to institute a waterflood project on its W. H. Rhodes "B"

Federal (NCT-1) Lease, comprising portions of Sections 26 and 27, Township 26 South, Range 37 East, NMPM, Lea County, New Mexico, by the injection of water into the Rhodes Yates-Seven Rivers Pool through two initial injection wells.

(4) The applicant, Texaco Exploration & Production Inc., seeks authority to expand its W. H. Rhodes "B" Federal Waterflood Project by converting the W. H. Rhodes "B" Federal (NCT-1) Well Nos. 6 and 13 located, respectively, 1980 feet from the South line and 660 feet from the East line (Unit I), and 990 feet from the South line and 1650 feet from the East line (Unit O), both in Section 27, Township 26 South, Range 37 East, NMPM, Rhodes Yates-Seven Rivers Pool, Lea County, New Mexico, from producing oil wells to water injection wells.

(5) The application to expand the W. H. Rhodes "B" Federal Waterflood Project was originally filed on August 31, 1992, for Division administrative approval; however, an objection to the proposed expansion from Doyle Hartman, Oil Operator, necessitated the placement of this application on the Division Examiner Docket.

(6) Doyle Hartman, Oil Operator, appeared through counsel at the hearing but presented no evidence or testimony in this case.

(7) The W. H. Rhodes "B" Federal Waterflood Project is located directly adjacent to the applicant's Rhodes Yates Unit Waterflood Project, approved by Division Order No. R-4521 and located in portions of Sections 21, 27 and 28, Township 26 South, Range 37 East, NMPM, Lea County, New Mexico.

(8) Within the W. H. Rhodes "B" Federal (NCT-1) Well No. 6, the applicant proposes to inject water into the Rhodes Yates-Seven Rivers Pool through the perforated and open hole interval from approximately 3,048 feet to 3,300 feet.

(9) Within the W. H. Rhodes "B" Federal (NCT-1) Well No. 13, the applicant proposes to inject into the Rhodes Yates-Seven Rivers Pool through the perforated and open hole interval from approximately 3,050 feet to 3,327 feet.

(10) The proposed waterflood expansion, effectively carried out in conjunction with the drilling of infill producing wells, will enable the applicant to establish an efficient production and injection pattern which should result in the recovery of additional oil reserves from the project area, thereby preventing waste.

(11) The applicant 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.

(12) The injection of water into the W. H. Rhodes "B" Federal (NCT-1) Well Nos. 6 and 13 should be accomplished through 2 3/8-inch internally cement-lined tubing installed in a packer set within 100 feet of the uppermost injection perforation; the casing-tubing annulus should be filled with an inert fluid and a gauge or approved leak detection device should be attached to the annulus in order to determine leakage in the casing, tubing or packer.

(13) Prior to commencing injection operations into the W. H. Rhodes "B" Federal (NCT-1) Well Nos. 6 and 13, the casing in each well should be pressure tested throughout the interval from the surface down to the proposed packer setting depth, to assure the integrity of such casing.

(14) The injection wells or pressurization system should be initially equipped with a pressure control device or acceptable substitute which will limit the surface injection pressure to no more than 610 psi.

(15) The Division Director should have the authority to administratively authorize a pressure limitation in excess of the pressure limitation described in Finding No. (14) above upon a showing by the operator that such higher pressure will not result in the fracturing of the injection formation or confining strata.

(RHODES YATES-SEVEN RIVERS (TEXACO W. H. ROBERTS "B" FEDERAL WATERFLOOD PROJECT EXPANSION) POOL - Cont'd.)

(16) The operator should give advance notification to the supervisor of the Hobbs District Office of the Division of the date and time of the installation of injection equipment and of the mechanical integrity pressure tests in order that the same may be witnessed.

(17) The proposed waterflood expansion should be approved and waterflood operations should be governed by the provisions of Division Order No. R-2748 and Rule Nos. 701 through 708 of the Oil Conservation Division Rules and Regulations.

**IT IS THEREFORE ORDERED THAT:**

(1) The applicant, Texaco Exploration & Production Inc., is hereby authorized to expand its W. H. Rhodes "B" Federal Waterflood Project by converting the W. H. Rhodes "B" Federal (NCT-1) Well Nos. 6 and 13 located, respectively, 1980 feet from the South line and 660 feet from the East line (Unit I), and 990 feet from the South line and 1650 feet from the East line (Unit O), both in Section 27, Township 26 South, Range 37 East, NMPM, Rhodes Yates-Seven Rivers Pool, Lea County, New Mexico, from producing oil wells to water injection wells.

(2) Injection into the W. H. Rhodes "B" Federal (NCT-1) Well No. 6 shall occur into the perforated and open hole interval from approximately 3,048 feet to 3,300 feet, and injection into the W. H. Rhodes "B" Federal (NCT-1) Well No. 13 shall occur into the perforated and open hole interval from approximately 3,050 feet to 3,327 feet.

(3) The applicant 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 formation or onto the surface from injection, production, or plugged and abandoned wells.

(4) Injection into the W. H. Rhodes "B" Federal (NCT-1) Well Nos. 6 and 13 shall be accomplished through 2 3/8-inch internally cement-lined tubing installed in a packer set within 100 feet of the uppermost injection perforation; the casing-tubing annulus shall be filled with an inert fluid and a gauge or approved leak-detection device should be attached to the annulus in order to determine leakage in the casing, tubing or packer.

(5) Prior to commencing injection operations into the W. H. Rhodes "B" Federal (NCT-1) Well Nos. 6 and 13, the casing in each well shall be pressure tested throughout the interval from the surface down to the proposed packer setting depth, to assure the integrity of such casing.

(6) The injection wells or pressurization system shall be initially equipped with a pressure control device or acceptable substitute which will limit the surface injection pressure to no more than 610 psi.

(7) The Division Director shall have the authority to administratively authorize a pressure limitation in excess of the pressure limitation described above upon a showing by the operator that such higher pressure will not result in the fracturing of the injection formation or confining strata.

(8) The operator shall give advance notification to the supervisor of the Hobbs District Office of the Division of the date and time of the installation of injection equipment and of the mechanical integrity pressure tests in order that the same may be witnessed.

(9) Waterflood operations shall be governed by the provisions of Division Order No. R-2748 and Rule Nos. 701 through 708 of the Oil Conservation Division Rules and Regulations.

(10) Jurisdiction is hereby 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.

EK-YATES-SEVEN RIVERS-QUEEN POOL  
(Statutory Unitization)  
Lea County, New Mexico

Order No. R-9885, Approving Statutory Unitization of the Central EK Queen Unit Area in the EK-Yates-Seven Rivers-Queen Pool, Lea County, New Mexico, April 27, 1993.

Application of Seely Oil Company for Statutory Unitization, Lea County, New Mexico.

CASE NO. 10647  
Order No. R-9885

**ORDER OF THE DIVISION**

BY THE DIVISION: This cause came on for hearing at 8:15 a.m. on March 18, 1993, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 27th day of April, 1993 the Division Director, having considered the testimony, the record and the recommendations of the Examiner, and being fully advised in the premises,

**FINDS THAT:**

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

(2) At the time of the hearing, this case was consolidated with Case No. 10648 for the purpose of testimony.

(3) The applicant, Seely Oil Company, seeks statutory unitization, pursuant to the "Statutory Unitization Act," Sections 70-7-1 through 70-7-21, NMSA (1978), for the purpose of establishing a secondary recovery project in the EK Yates-Seven Rivers-Queen Pool, said unit to be designated the Central EK Queen Unit Area with horizontal limits comprising the following described lands in Lea County, New Mexico, containing 1148.40 acres, more or less, of state lands. The applicant further seeks approval of the Unit Agreement, Unit Operating Agreement, and Unit Participation Agreement which were submitted in evidence as Exhibits 1, 6 and 2, respectively.

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM  
Section 12: SE/4 NE/4 and E/2 SE/4

TOWNSHIP 18 SOUTH, RANGE 34 EAST, NMPM  
Section 7: Lots 2, 3 and 4, SW/4 NE/4, SE/4 NW/4, E/2 SW/4, and SE/4  
Section 8: SW/4 and S/2 SE/4  
Section 9: W/2 SW/4  
Section 16: NW/4 NW/4  
Section 17: N/2 N/2  
Section 18: N/2 NE/4

(4) The vertical limits of said unit area or "Unitized Formation" is defined as that stratigraphic interval occurring between a point 100 feet above the top of the Queen Sand and 100 feet below the base of the Queen Sand. Said Queen Sand interval occurs between 4366 feet and 4426 feet in the General Operating Company Santa Fe State Well No. 2 located 330 feet from the North line and 990 feet from the East line (Unit A) of Section 18, Township 18 South, Range 34 East, NMPM, Lea County, New Mexico as recorded on the Welox compensated density dual spaced neutron log of said well dated January 20, 1986.

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING  
GOVERNOR

ANITA LOCKWOOD  
CABINET SECRETARY

DRUG

POST OFFICE BOX  
STATE LAND OFFICE B.  
SANTA FE NEW MEXICO  
(505) 827-5800

*ADMINISTRATIVE ORDER NO. WFX-645*

***APPLICATION OF TEXACO EXPLORATION AND PRODUCTION, INC. TO EXPAND ITS W.H. RHODES "B" FEDERAL UNIT WATERFLOOD PROJECT IN THE RHODES YATES SEVEN RIVERS POOL IN LEA COUNTY, NEW MEXICO***

**ADMINISTRATIVE ORDER  
OF THE OIL CONSERVATION DIVISION**

Under the provisions of Division Order Nos. R-2748, R-2748-A and R-9847, Texaco Exploration and Production, Inc. has made application to the Division on April 15, 1993 for permission to expand its W.H. Rhodes "B" Federal Unit Waterflood Project in the Rhodes Yates Seven Rivers Pool in Lea County, New Mexico.

**THE DIVISION DIRECTOR FINDS THAT:**

- (1) The application has been filed in due form.
- (2) Satisfactory information has been provided that all offset operators have been duly notified of the application.
- (3) No objection has been received within the waiting period as prescribed by Rule 701(B).
- (4) The proposed injection wells are eligible for conversion to injection under the terms of Rule 701.
- (5) The proposed expansion of the above-referenced W.H. Rhodes "B" Federal Unit Waterflood Project will not cause waste nor impair correlative rights.
- (6) The application should be approved.

**IT IS THEREFORE ORDERED THAT:**

The applicant, Texaco Exploration and Production, Inc., be and the same is hereby authorized to inject water into the Yates and Seven Rivers formations at approximately 3000 feet to approximately 3318 feet through 2 3/8 or 2 7/8-inch plastic lined tubing set in a packer within 100 feet of the uppermost perforations in the wells further described in Exhibit "A" attached hereto for purposes of secondary recovery.

**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.

Prior to commencing injection operations into the wells, the casing shall be pressure tested from the surface to the packer setting depth to assure the integrity of said casing.

The casing-tubing annulus 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.

The injection wells or system shall be equipped with a pressure limiting device which will limit the wellhead pressure on the injection wells to no more than .2 psi/ft. of depth to the uppermost injection perforation.

The Director of the Division may authorize an increase in injection pressure upon a proper showing by the operator of said well that such higher pressure will not result in migration of the injected fluid from the Yates and Seven Rivers formations. Such proper showing shall consist of a valid step-rate test run in accordance with and acceptable to this office.

The operator shall notify the supervisor of the Hobbs district office of the Division of the date and time of the installation of injection equipment and of the mechanical integrity tests so that the same may be inspected and witnessed.

The operator shall immediately notify the supervisor of the Hobbs district office of the Division of the failure of the tubing, casing or packer in said wells and shall take such steps as may be timely and necessary to correct such failure or leakage.

EXHIBIT "A"  
 DIVISION ORDER NO. WFX-645

TEXACO EXPLORATION AND PRODUCTION, INC.  
 W.H. RHODES "B" FEDERAL UNIT WATERFLOOD  
 LEA COUNTY, NEW MEXICO

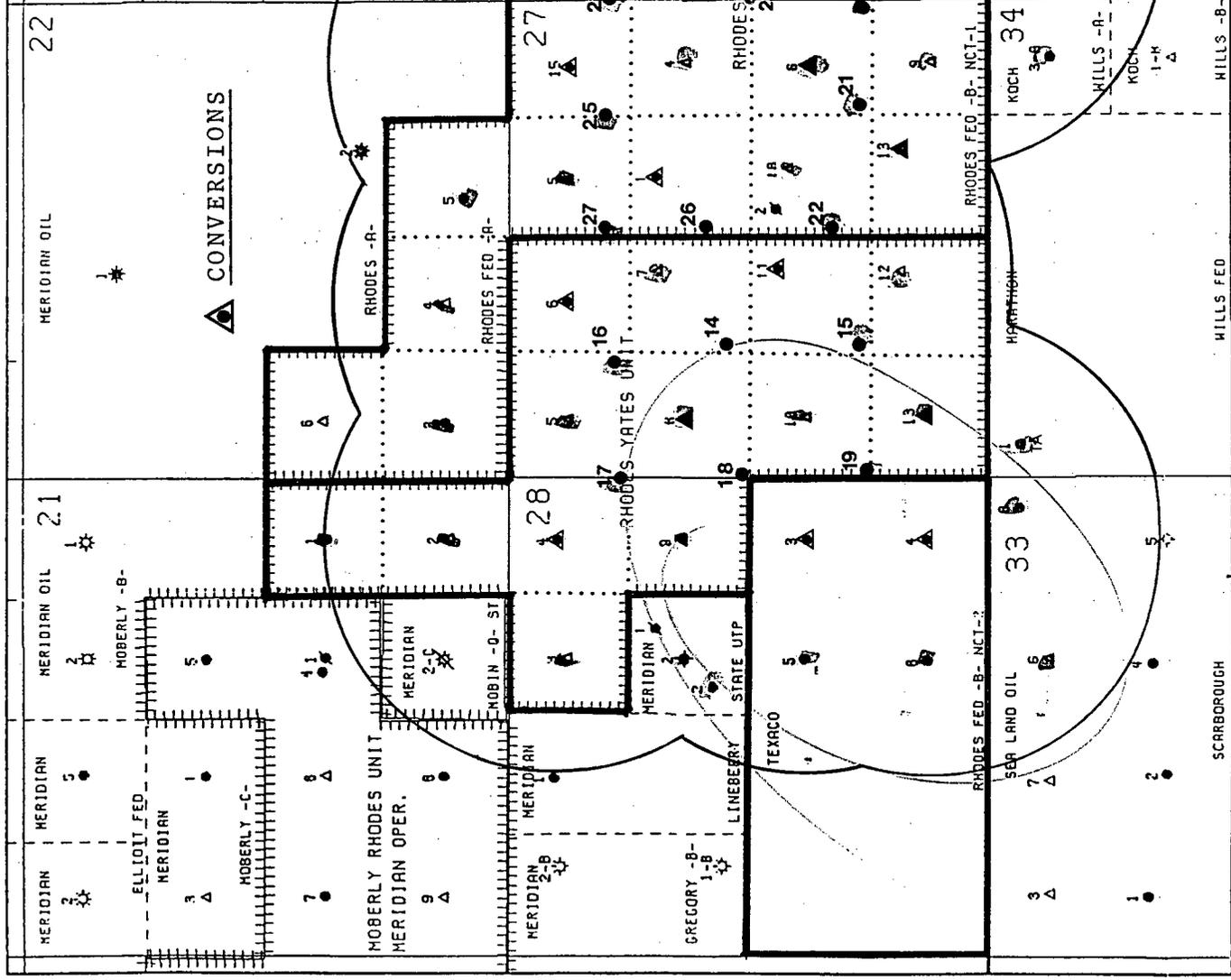
APPROVED INJECTION WELLS

| Well Name                  | Well No. | Location              | Unit | S-T-R      | Injection Perforations | Packer Depth | Tubing Size | Injection Pressure (psig) |
|----------------------------|----------|-----------------------|------|------------|------------------------|--------------|-------------|---------------------------|
| W.H. Rhodes "B" Fed. NCT-1 | 1        | 1650' FNL - 1650' FEL | G    | 27-26S-37E | 3071' - 3260' (OH)     | 3050'        | 2 3/8"      | 614                       |
| "                          | 8        | 660' FSL - 660' FWL   | M    | 26-26S-37E | 3128' - 3255' (OH)     | 3100'        | 2 3/8"      | 626                       |
| "                          | 14       | 1980' FNL - 864' FWL  | E    | 26-26S-37E | 3000' - 3200           | 2980'        | 2 3/8"      | 600                       |
| "                          | 15       | 660' FNL - 660' FEL   | A    | 27-26S-37E | 3080' - 3195'          | 3050'        | 2 3/8"      | 617                       |
| W.H. Rhodes "B" Fed. NCT-2 | 3        | 1980' FSL - 660' FEL  | I    | 28-26S-37E | 3116' - 3300' (OH)     | 3080'        | 2 7/8"      | 623                       |
| "                          | 4        | 660' FSL - 660' FEL   | P    | 28-26S-37E | 3122' - 3318'          | 3100'        | 2 3/8"      | 624                       |

TEXACO INC. NM U.S.A.  
 HOBBS

RHODES YATES WATERFLOOD  
 LEA COUNTY, NEW MEXICO

SCALE 1"=1000'  
 DATE 29-MAR-91  
 DRAWN BY C. E. SADLER



The subject wells shall be governed by all provisions of Division Order Nos. R-2748, R-2748-A and R-9847 and Rules 702-706 of the Division Rules and Regulations not inconsistent herewith.

**PROVIDED FURTHER THAT**, jurisdiction of this cause is hereby retained by the Division for the entry of such further order or orders as may be deemed necessary or convenient for the prevention of waste and/or protection of correlative rights; upon failure of the operator to conduct operations in a manner which will ensure the protection of fresh water or in a manner inconsistent with the requirements set forth in this order, the Division may, after notice and hearing, terminate the injection authority granted herein.

DONE at Santa Fe, New Mexico, on this 17th day of June, 1993.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY  
Director

SEAL

cc: Oil Conservation Division - Hobbs  
US Bureau of Land Management - Carlsbad



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



BRUCE KING  
GOVERNOR

ANITA LOCKWOOD  
CABINET SECRETARY

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87504  
(505) 827-5800

January 21, 1994

Texaco Exploration and Production, Inc.  
P.O. Box 3109  
Midland, TX 79702

Attention: C.P. Basham:

**RE: *W.H. Rhodes "B" NCT-2 Well No. 7. 1350' FSL - 1290' FEL (Unit I) of Section 28, Township 26 South, Range 37 East, NMPM, Rhodes Yates-Seven Rivers Pool, Lea County, New Mexico.***

Dear Mr. Basham:

The Division is in receipt of your application dated January 17, 1994 for an unorthodox oil well location for the subject well. It was stated in your cover letter that this well will be within an "established waterflood." Please reference by Division order number the waterflood approval for this project.

Should this well be located outside an established waterflood project, such approval will require a Division hearing since there is a lack of authority to approve unorthodox locations administratively based on drainage or geology.

Should you have any questions concerning this matter, please contact me at (505) 827-5811.

Sincerely,

Michael E. Stogner  
Chief Hearing Officer/Engineer

MES/amg

cc: Oil Conservation Division - Hobbs  
US Bureau of Land Management - Carlsbad