



New Mexico Energy, Minerals and Natural Resources Department

Bill Richardson
Governor

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Cabinet Secretary
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Mark Fesmire
Division Director
Oil Conservation Division



Administrative Order WFX-851

March 19, 2009

Mr. James Bruce as Agent for
Beach Exploration, Inc.
P.O. Box 1056
Santa Fe, NM 87504

ADMINISTRATIVE ORDER OF THE OIL CONSERVATION DIVISION

Under the provisions of Division Order R-12833, Beach Exploration, Inc. (OGRID No. 1903) has made application to the Division for permission to add injection wells to its Eastland Queen Unit Waterflood Project located within the Queen formation within portions of the Turkey Track Seven Rivers-Queen-Grayburg-San Andres Pool (61020) and East Turkey Track-Queen Pool (60920) in Eddy County, New Mexico.

THE DIVISION DIRECTOR FINDS THAT:

The application was filed in due form. No objections have been filed within the waiting period prescribed by Division Rule 26.8C.(2). The proposed injection wells are eligible for conversion to injection under the terms of Rule 26.8. The operator is in compliance with Rule 5.9.

The proposed extension of the above-referenced waterflood project, will prevent waste, is in the best interests of conservation, will not impair correlative rights, and should be approved. Applicant has complied with all terms of the Division Order R-12833 other than the injection commencement date.

IT IS THEREFORE ORDERED THAT:

Beach Exploration, Inc. is hereby authorized to inject water into the unitized interval, through plastic-lined tubing set in packers located within 100 feet of the top of the injection intervals in the following-described wells for purposes of secondary recovery:



Phase I (13 Injection Wells)
Maximum Surface Injection
Pressure: 1000 PSIG

WELL NAME	API	N-S	E-W	Unit	Sec	Tsp	Rge	Shattuck Perfs
STATE 004 (P&A)	30-015-03541	1650 FSL	1650 FEL	J	1	19S	29E	Approx 2400
STATE HL 1 002	30-015-24911	660 FNL	1980 FWL	C	1	19S	29E	2328-2370
P.J. A STATE 001	30-015-25655	990 FNL	990 FWL	D	1	19S	29E	2306-2341
P.J. A STATE 007	30-015-25794	330 FNL	990 FEL	A	1	19S	29E	2398-2418
P.J. A STATE 008	30-015-25856	2310 FSL	990 FWL	L	1	19S	29E	2272-2311
P.J. A STATE 011	30-015-25887	990 FSL	990 FWL	M	1	19S	29E	2326-2336
P.J. A STATE 018	30-015-26190	1650 FSL	1650 FEL	J	2	19S	29E	2270-2290
P.J. A STATE 020	30-015-26444	2310 FNL	330 FEL	H	2	19S	29E	2244-2294
P.J. A STATE 022	30-015-03542	2310 FNL	330 FEL	H	1	19S	29E	2414-2452
P.J. B STATE 001	30-015-26095	330 FNL	2310 FWL	C	11	19S	29E	2229-2247
P.J. B STATE 002	30-015-26120	330 FNL	990 FEL	A	11	19S	29E	2268-2301
B B O C STATE 001	30-015-22957	1980 FNL	1980 FEL	G	11	19S	29E	2261-2314
B B O C STATE 003	30-015-26235	990 FNL	990 FWL	D	11	19S	29E	2216-2237

Providing that all conditions contained in the order remain the same and there have been no additional wells drilled or plugged in the area of review.

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 these wells, the casing shall be pressure tested from the surface to the packer setting depth to assure casing integrity.

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 injection system shall be equipped with pressure limiting devices which will limit the wellhead pressure to the maximum surface injection pressure of **1000 PSIG**.

The Director of the Division may authorize increases in injection pressure upon a proper showing by the operator that higher pressure will not result in migration of the injected fluid from the permitted injection interval or harmful formation fracturing. Such proper showing shall consist of valid step-rate tests and possibly injection profiles or pressure transient testing run in accordance with and acceptable to this office.


The operator shall notify the supervisor of the District Office of the date and time of the installation of injection equipment and of all mechanical integrity tests so that the same may be inspected and witnessed.

The operator shall immediately notify the supervisor of the District Office 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.

The subject wells shall be governed by all provisions of Division Order No. R-12833, and Rules 26.9 through 26.13 not inconsistent herewith.

PROVIDED FURTHER THAT, jurisdiction is retained by the Division for the entry of such further orders as may be necessary for the prevention of waste and/or protection of correlative rights or upon failure of the operator to conduct operations (1) to protect fresh water or (2) consistent with the requirements in this order, whereupon the Division may, after notice and hearing, terminate the injection authority granted herein.

The injection authority granted herein shall terminate one year after the effective date of this order if the operator has not commenced injection operations into at least one of the subject wells, provided however, the Division, upon written request by the operator received prior to the one year deadline, may grant an extension thereof for good cause shown.


MARK E. FESMIRE, P.E.
Director

MEF/tw

cc: Oil Conservation Division – Artesia
Case No. 13972 & 13973