

APPLICATION OF CONTINENTAL OIL
COMPANY TO EXPAND ITS WATER FLOOD
PROJECT IN THE WARREN-McKEE POOL
IN LEA COUNTY, NEW MEXICO.

ORDER WFX NO. 463

ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION

Under the provisions of Order No. R-5632, Continental Oil Company has made application to the Division on June 14, 1978, for permission to expand its Warren Unit Area Waterflood Project in the Warren-McKee Pool in Lea County, New Mexico.

NOW, on this 23rd day of June, 1978, the Division Director finds:

1. That application has been filed in due form.
2. That satisfactory information has been provided that there are no other offset operators.
3. That the proposed injection well is eligible for conversion to water injection under the terms of Order No. R-5632.
4. That the proposed expansion of the above referenced water flood project will not cause waste nor impair correlative rights.
5. That the application should be approved.

IT IS THEREFORE ORDERED:

That the applicant Continental Oil Company, be and the same is hereby authorized to inject water into the McKee formation through plastic-lined tubing set in a packer at approximately 8920 feet in the following described well for purposes of secondary recovery, to wit:

Warren Unit Well No. 28 located in Unit J of
Section 20, Township 20 South, Range 38 East,
NMPM, Lea County, New Mexico;

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.

That 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.

That the injection well or system shall be equipped with a pop-off valve or device which will limit the wellhead pressure to a maximum of 1800 pounds per square inch; provided however that the Division Director of the Division may administratively authorize a pressure limitation in excess of the above upon the operator's establishing that such higher pressure will not

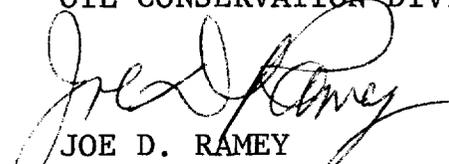
result in fracturing or confining strata.

That the operator shall notify the supervisor of the Division's Hobbs District Office before injection is commenced through said well;

That the operator shall immediately notify the Supervisor of the Division's Hobbs District Office of the failure of the tubing, casing, or packer in said well or the leakage of water from or around said well and shall take such steps as may be timely or necessary to correct such failure or leakage.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



JOE D. RAMEY
Director

S E A L