

APPLICATION OF STALLWORTH OIL & GAS, INC.

TO EXPAND ITS WATERFLOOD PROJECT IN THE

SQUARE LAKE POOL IN EDDY COUNTY, NEW MEXICO

ORDER WFX NO. 490

ADMINISTRATIVE ORDER  
OF THE OIL CONSERVATION DIVISION

Under the provisions of Rule 701, Stallworth Oil and Gas, Inc., has made application to the Division on May 14, 1981, for permission to expand its Etz Waterflood Project in the Square Lake Pool in Eddy County, New Mexico.

NOW, on this 29th day of May, 1981, the Division Director finds:

1. That application has been filed in due form.
2. That satisfactory information has been provided that all offset operators have been duly notified of the application.
3. That no objection has been received within the waiting period as prescribed by Rule 701.
4. That the proposed injection well is eligible for conversion to water injection under the terms of Rule 701.
5. That the proposed expansion of the above referenced waterflood project will not cause waste nor impair correlative rights.
6. That the application should be approved.

IT IS THEREFORE ORDERED:

That the applicant, Stallworth Oil and Gas, Inc., be and the same is hereby authorized to inject water into Grayburg and San Andres formations through plastic-lined tubing set in a packer at approximately 2900 feet in the following described well for purposes of secondary recovery, to wit:

Etz Well No. 2 located 660' FSL and 1980' FEL in Section 25, Township 16 South, Range 30 East, Eddy 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 in the well 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 pressure limiting device which will limit the wellhead pressure to a maximum of 585 pounds per square inch; provided however that the Division Director 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 of the confining strata.

That the operator shall notify the supervisor of the Division's Artesia

Order No. 490

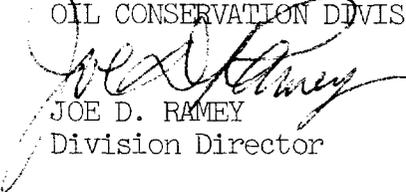
-2-

District Office before injection is commenced through said well.

That the operator shall immediately notify the Supervisor of the Division's Artesia 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  
Division Director

SEAL