

APPLICATION OF SOUTHLAND ROYALTY COMPANY
TO EXPAND ITS WATERFLOOD PROJECT IN THE
GRAYBURG-JACKSON POOL IN EDDY COUNTY,
NEW MEXICO.

ORDER No. WFX-508

ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION

Under the provisions of Order No. R-4133, Southland Royalty Company has made application to the Division on April 5, 1983, for permission to expand its Dale H. Parke "A" Waterflood Project in the Grayburg-Jackson Pool in Eddy County, New Mexico.

NOW, on this 5th day of April, 1983, 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 B.
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 casing leaks exist from a depth of 2570 feet to 2663 feet, which is out of the designated injection intervals.
7. That the application should be approved.

IT IS THEREFORE ORDERED:

That the applicant, Southland Royalty Company, be and the same is hereby authorized to inject water into the Grayburg and San Andres formations through plastic-lined tubing set in a packer at approximately 2790 feet in the following described well for purposes of secondary recovery to wit:

Dale H. Parke "A" Tr. 1 Well No. 7
Unit O, Section 15, Township 17 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 such steps to insure such compliance shall include the running of a 4 1/2 inch liner to TD and the circulation of cement to the surface.

That the liner tubing annulus in said 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 578 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. A step rate test satisfactory with the Division office is considered valid evidence in establishing higher pressure limitations.


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

That the subject well shall be governed by all provisions of Division Order No. R-4133 and Rules 702, 703, 704, 705, and 706 not inconsistent herewith.

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

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