STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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APPLICATION OF CAPITAL OIL AND GAS CORPORATION TO EXPAND ITS STEAM INJECTION PROJECT IN THE MIGUEL CREEK-GALLUP POOL IN McKINLEY COUNTY, NEW MEXICO.

ORDER No. WFX-513

ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION

Under the provisions of Order No. R-7278, Capital Oil and Gas Corporation has made application to the Division on June 29, 1983, for permission to expand its Miguel Creek Steam Injection Project in the Miguel Creek-Gallup Pool in McKinley County, New Mexico.

NOW, on this 30th day of June, 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 steam injection project will not cause waste nor impair correlative rights.

6. That the application should be approved.

IT IS THEREFORE ORDERED:

That the applicant, Capital Oil and Gas Corporation, be and the same is hereby authorized to inject steam into the Hospah-Gallup formations through plastic-lined tubing in the following described wells for purposes of secondary recovery to wit:

State Well No. 1, Unit M, Sec. 16, T-16-N, R-6-W, McKinley County

State Well No. 3, Unit N, Sec. 16, T-16-N, R-6-W, McKinley County

State Well No. 4, Unit M, Sec. 16, T-16-N, R-6-W, McKinley County

State Well No. 5, Unit M, Sec. 16, T-16-N, R-6-W, McKinley County

IT IS FURTHER ORDERED:

That the operator shall take all steps necessary to ensure that the injected steam enters only the proposed injection interval and is not permitted to escape to other formations or onto the surface.

That if injection is under a packer, it shall be located within 100 feet of the uppermost perforation; that the casing-tubing annulus of each injection well shall, at the option of the applicant, be loaded with an inert fluid and shall be equipped with an approved pressure gauge or attention-attracting leak detection device.

That if no packer is used, the casing-casing annulus in each of the project injection wells shall be open to the atmosphere in order to detect leakage from the casing-tubing annulus and the mechanical integrity of the injection casing shall be determined by a pressure test prior to injection and at least every five years thereafter.

That the casing-tubing annulus in each 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 wells or system shall be equipped with a pressure limiting device which will limit the wellhead pressure to a maximum of 750 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 Aztec District Office before injection is commenced through said wells.

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

That the subject wells shall be governed by all provisions of Division Order No. R-7278 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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