



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

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

ORDER No. WFX-555

ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION

Under the provisions of Order No. R-7900, Phillips Petroleum Company has made application to the Division on October 28, 1985, for permission to expand its Burch-Keely Cooperative Waterflood Project in the Grayburg-Jackson Pool in Eddy County, New Mexico.

NOW, on this 7th day of January, 1986, 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 701B.
4. That the proposed injection wells are 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, Phillips Petroleum 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 100 feet above the uppermost perforation in the following described wells in Eddy County, New Mexico, for purposes of secondary recovery to wit:

<u>WELL NAME & LOCATION</u>	<u>MAXIMUM SURFACE INJECTION PRESSURE</u>
Burch BB Federal No. 7 1980' FNL & 1980' FEL Unit G, Section 23	470 PSI
Burch C Federal No. 1 2400' FNL & 855' FWL Unit E, Section 23	470 PSI
Burch C Federal No. 2 2314' FNL & 2310' FWL Unit F, Section 23	470 PSI
Burch C Federal No. 7 1980' FSL & 660' FEL Unit I, Section 23	480 PSI
Burch C Federal No. 8 660' FSL & 660' FEL Unit P, Section 23	480 PSI
Keely B Federal No. 4 660' FNL & 660' FEL Unit A, Section 26	490 PSI
Keely B Federal No. 13 1345' FNL & 1295' FWL Unit H, Section 26	490 PSI
Keely C Federal No. 9 1980' FNL & 660' FWL Unit E, Section 26	490 PSI
Keely C Federal No. 14 1980' FNL & 660' FWL Unit E, Section 26	490 PSI

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 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 well or system shall be equipped with a pressure limiting device which will limit the wellhead pressure

on the injection well to no more than .2 psi/ft. of depth to the uppermost perforation.

That prior to commencement of injection operations on these wells, the casing shall be pressure tested from the surface to the packer setting depth to assure the integrity of the casing and said tests shall be witnessed by a representative of the Division's Artesia district office.

That the Director of the Division may authorize an increase in injection pressure upon a proper showing by the operator of said well that such higher pressure will not result in migration of the injected fluid from the Grayburg San Andres formation. That such proper showing shall consist of a valid step-rate test run in accordance with and acceptable to this office.

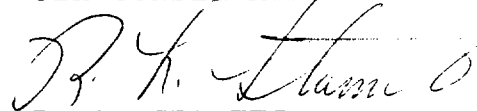
That the operator shall notify the supervisor of the Division's Artesia District Office before injection is commenced through said wells.

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 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-7900 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



R. L. STAMETS,
Director

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