STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION

April 29, 1987

GARREY CARRUTHERS
GOVERNOR

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APPLICATION OF ARMSTRONG ENERGY CORPORATION TO EXPAND ITS WATERFLOOD PROJECT IN THE HIGH LONESOME QUEEN POOL IN EDDY COUNTY, NEW MEXICO.

ORDER NO. WFX-565

ADMINISTRATIVE ORDER OF THE OIL CONSERVATION DIVISION

Under the provisions of Order No. R-2443, Armstrong Energy Corporation has made application to the Division on April 21, 1987, for permission to expand its High Lonesome Queen Waterflood Project in the High Lonesome Queen Pool in Eddy County, New Mexico.

NOW, on this 29th day of April, 1987, 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 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, Armstrong Energy Corporation, be and the same is hereby authorized to inject water into the Queen formation in the open hole section from 2074 feet to 2092 feet through plastic-lined tubing set in a packer at approximately 2040 feet

in the following described well for purposes of secondary recovery to wit:

East High Lonesome Queen Unit Well No. 4
660' FEL and 1980' FNL (Unit H)
Sec. 14, T-16 South, R-29 East, NMPM
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 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 prior to commencing injection operations in the well, the casing shall be pressure tested from the surface to the packer setting depth to assure the integrity of the casing.

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 415 psi.

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 Queen 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 Artesia district office of the Division of the date and time of the installation of disposal equipment and of the mechanical integrity test so that the same may be inspected and witnessed.

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-2443 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

WILLIAM J. LEMAY,
Director

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