ADMINISTRATIVE ORDER NO. WFX-707

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

ADMINISTRATIVE ORDER OF THE OIL CONSERVATION DIVISION

Under the provisions of Division Order Nos. R-2900 and R-3214 as amended, The Wiser Oil Company has made application to the Division on December 7, 1996 for permission to expand its Skelly Unit Waterflood Project in the Grayburg-Jackson Pool in Eddy County, New Mexico.

THE DIVISION DIRECTOR FINDS THAT:

- (1) The application has been filed in due form.
- (2) Satisfactory information has been provided that all offset operators have been duly notified of the application.
- (3) No objection has been received within the waiting period as prescribed by Rule 701(B).
- (4) The proposed injection wells are eligible for conversion to injection under the terms of Rule 701.
- (5) The proposed expansion of the above referenced waterflood project will nor nause waste nor impair correlative rights.
 - (6) The application should be approved.

IT IS THEREFORE ORDERED THAT:

The applicant, The Wiser Oil Company, be and the same is hereby authorized to inject water into the Grayburg and San Andres formations at approximately 3000 feet to approximately 3900 feet through 2 3/8-inch plastic lined tubing set in a packer located within 100 feet of the uppermost injection perforations in the wells described on Exhibit "A" attached hereto, for purposes of secondary recovery.

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.

Prior to commencing injection operations into the wells, the casing shall be pressure tested from the surface to the packer setting depth to assure the integrity of said casing.

The casing-tubing annulus 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.

The injection well or system shall be equipped with a pressure limiting device which will limit the wellhead pressure on the injection wells to no more than .2 psi per foot of depth to the uppermost injection perforation.

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

The operator shall notify the supervisor of the Artesia district office of the Division of the date and time of the installation of injection equipment and of the mechanical integrity tests so that the same may be inspected and witnessed.

The operator shall immediately notify the supervisor of the Artesia district office of the Division of the failure of the tubing, casing or packer in said wells and shall take such steps as may be timely and necessary to correct such failure or leakage.

The subject wells shall be governed by all provisions of Division Order Nos. R-2900 and R -3214 as amended, and Rules 702-706 of the Division Rules and Regulations not inconsistent herewith.

PROVIDED FURTHER THAT, jurisdiction of this cause is hereby retained by the Division for the entry of such further order or orders as may be deemed necessary or convenient for the prevention of waste and/or protection of correlative rights; upon failure of the operator to conduct operations in a manner which will ensure the protection of fresh water or in a manner inconsistent with the requirements set forth in this order, the Division may, after notice and hearing, terminate the injection authority granted herein.

The injection authority granted herein shall terminate one year after the effective date of this order if the operator has not commenced injection operations into the subject wells, provided however, the Division, upon written request by the operator, may grant an extension thereof for good cause shown.

DONE at Santa Fe, New Mexico, on this 11th day of March, 1997.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

WILLIAM J. LEMAY

Director

SEAL

cc:

Oil Conservation Division - Artesia

Ms. Bonnie Jones, J.O. Easley, Inc.

Files: Case No.3547

EXHIBIT "A" DIVISION ORDER NO. WFX-707 SKELLY UNIT APPROVED INJECTION WELLS

Skelly Unit	Skelly Unit	Skelly Unit	Skelly Unit	Skelly Unit	Skelly Unit	Skelly Unit	Skelly Unit	Skelly Unit	Skelly Unit	Skelly Unit	Skelly Unit	Skelly Unit	Skelly Unit	Skelly Unit	Skelly Unit	Skelly Unit	Skelly Unit	Skelly Unit	Skelly Unit	Skelly Unit	Skelly Unit	No Transport
55	51	50	49	47	45	43	41	39	37	36	33	31	29	28	27	25	23	20	18	17	11	Well-No.
660' FSL & 660' FWL	1980' FSL & 660' FEL	1980' FNL & 660' FEL	1980' FNL & 1980' FEL	1980' FNL & 660' FWL	1980' FNL & 1980' FEL	765' FNL & 2058' FWL	330' FNL & 330' FEL	660' FNL & 1980' FWL	660' FNL & 660' FEL	660' FSL & 660' FEL	660' FSL & 660' FWL	660' FSL & 1980' FEL	660' FSL & 660' FWL	1980' FSL & 660' FWL	1980' FSL & 1980' FWL	1980' FSL & 660' FEL	1980' FSL & 1980' FWL	1980' FNL & 1980' FEL	660' FNL & 660' FWL	660' FNL & 1930' FEL	1980' FSL & 660' FWL	Well Name Well No. Location Unit.
M	Н	Н	G	E	G	С	Α	С	Α	P	X	0	Z	L	K	Ι	K	G	D	В	I	Unit
22-T17S-R31E	22-T17S-R31E	23-T17S-R31E	23-T17S-R31E	23-T17S-R31E	22-T17S-R31E	22-T17S-R31E	22-T17S-R31E	23-T17S-R31E	23-T17S-R31E	14-T17S-R31E	14-T17S-R31E	15-T17S-R31E	15-T17S-R31E	15-T17S-R31E	15-T17S-R31E	15-T17S-R31E	14-T17S-R31E	15-T17S-R31E	15-T17S-R31E	15-T17S-R31E	21-T17S-R31E	S.T.R.
To Be Determined	To Be Determined	To Be Determined	To Be Determined	To Be Determined	To Be Determined	To Be Determined	To Be Determined	To Be Determined	To Be Determined	To Be Determined	To Be Determined	To Be Determined	To Be Determined	To Be Determined	To Be Determined	To Be Determined	To Be Determined	To Be Determined	To Be Determined	To Be Determined	To Be Determined	Injection Perforations
TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	Packer Depth Tubing Size
2 3/8"	2 3/8"	2 3/8"	2 3/8"	2 3/8"	2 3/8"	2 3/8"	2 3/8"	2 3/8"	2 3/8"	2 3/8"	2 3/8"	2 3/8"	2 3/8"	2 3/8"	2 3/8"	2 3/8"	2 3/8"	2 3/8"	2 3/8"	2 3/8"	2 3/8"	Tubing Size
.2 psi/ft	.2 psi/ft	.2 psi/ft	.2 psi/ft	.2 psi/ft	.2 psi/ft	.2 psi/ft	.2 psi/ft	.2 psi/ft	.2 psi/ft	.2 psi/ft	.2 psi/ft	.2 psi/ft	.2 psi/ft	.2 psi/ft	.2 psi/ft	.2 psi/ft	.2 psi/ft	.2 psi/ft	.2 psi/ft	.2 psi/ft	.2 psi/ft	Pressu

	W AV		77	C T. D		Packer Denth	Tuhing Size	Pressure
Skelly Unit	57	660' FSL & 1980' FEL	0	22-T17S-R31E	To Be Determined		3	.2 psi/ft
Skelly Unit	59	660' FNL & 660' FEL	Α	21-T17S-R31E	To Be Determined	TBD	2 3/8"	.2 psi/ft
Skelly Unit	8	660' FNL & 1980' FEL	В	21-T17S-R31E	To Be Determined	TBD	2 3/8"	.2 psi/ft
Skelly Unit	61	660' FNL & 1980' FWL	С	21-T17S-R31E	To Be Determined	TBD	2 3/8"	.2 psi/ft
Skelly Unit	62	660' FNL & 660' FWL	D	21-T17S-R31E	To Be Determined	TBD	2 3/8"	.2 psi/ft
Skelly Unit	63	1980' FNL & 660' FWL	Е	21-T17S-R31E	To Be Determined	TBD	2 3/8"	.2 psi/ft
Skelly Unit	65	2080' FNL & 1980' FEL	G	21-T17S-R31E	To Be Determined	TBD	2 3/8"	.2 psi/ft
Skelly Unit	68	1650' FSL & 1980' FWL	K	21-T17S-R31E	To Be Determined	TBD	2 3/8"	.2 psi/ft
Skelly Unit	70	1980' FSL & 660' FEL	I	23-T17S-R31E	To Be Determined	TBL	2 3/8"	.2 psi/ft
Skelly Unit	71	1980' FSL & 1980' FEL	J	23-T17S-R31E	To Be Determined	TBL	2 3/8"	.2 psi/ft
Skelly Unit	r_2	1980' FSL & 1980' FWL	K	23-T17S-R31E	To Be Determined	TBD	2 3/8"	.2 psi/ft
Skelly Unit	74	530' FSL & 330' FWL	M	21-T17S-R31E	To Be Determined	TBD	2 3/8"	.2 psi/ft
Skelly Unit	76	720' FSL & 1980' FEL	0	21-T17S-R31E	To Be Determined	TBD	2 3/8"	.2 psi/ft
Skelly Unit	80	660' FSL & 1980' FEL	0	23-T17S-R31E	To Be Determined	TBD	2 3/8"	.2 psi/ft
Skelly Unit	82	660' FNL & 1980' FWL	С	26-T17S-R31E	To Be Determined	TBD	2 3/8"	.2 psi/ft
Skelly Unit	84	660' FNL & 660' FEL	Α	27-T17S-R31E	To Be Determined	TBD	2 3/8"	.2 psi/ft
Skelly Unit	86	660' FNL & 1900' FWL	С	27-T17S-R31E	To Be Determined	TBD	2 3/8"	.2 psi/ft
Skelly Unit	88	660' FNL & 660' FEL	Α	28-T17S-R31E	To Be Determined	TBD	2 3/8"	.2 psi/ft
Skelly Unit	90	680' FNL & 1980' FWL	С	28-T17S-R31E	To Be Determined	TBD	2 3/8"	.2 psi/ft
Skelly Unit	91	660' FNL & 660' FWL	D	28-T17S-R31E	To Be Determined	TBD	2 3/8"	.2 psi/ft
Skelly Unit	92	1980' FNL & 660' FWL	E	28-T17S-R31E	To Be Determined	TBD	2 3/8"	.2 psi/ft
Skelly Unit	93	1980' FNL & 1980' FWL	F	28-T17S-R31E	To Be Determined	TBD	2 3/8"	.2 psi/ft
Skelly Unit	22	1980' FNL & 1980' FEL	G	28-T17S-R31E	To Be Determined	TBD	2 3/8"	.2 psi/ft
Skelly Unit	95	1980' FNL & 660' FEL	Н	28-T17S-R31E	To Be Determined	TBD	2 3/8"	.2 psi/ft
Skelly Unit	97	1980' FNL & 1980' FEL	G	27-T17S-R31E	To Be Determined	TBD	2 3/8"	.2 psi/ft
Skelly Unit	98	1980' FSL & 1980' FEL	,	28-T17S-R31E	To Be Determined	TBD	2 3/8"	.2 psi/ft

Well Name	ЖеЦ Ма	Location	Unit	S-T-R	Injection Perforations	Packer Depth	Tubing Size	Pressure
Skelly Unit	99	1980' FSL & 1980' FWL	K	28-T17S-R31E	To Be Determined	TBD	2 3/8"	.2 psi/ft
Skelly Unit	100	1980' FSL & 660' FWL	L	28-T17S-R31E	To Be Determined	TBD	2 3/8"	.2 psi/ft
Skelly Unit	101	1980' FNL & 660' FWL	E	22-T17S-R31E	To Be Determined	TBD	2 3/8"	.2 psi/ft
Skelly Unit	103	560' FNL & 1980' FWL	С	14-T17S-R31E	To Be Determined	TBD	2 3/8"	.2 psi/ft
Skelly Unit	104	1980' FNL & 660' FWL	Ħ	14-T17S-R31E	To Be Determined	TBD	2 3/8"	.2 psi/ft
Skelly Unit	106	660' FNL & 1980' FWL	С	15-T17S-R31E	To Be Determined	TBD	2 3/8"	.2 psi/ft
Skelly Unit	107	1760' FNL & 660' FWL	Ħ	27-T17S-R31E	To Be Determined	TBD	2 3/8"	.2 psi/ft
Skelly Unit	108	660' FNL & 660' FEL	Α	15-T17S-R31E	To Be Determined	TBD	2 3/8"	.2 psi/ft
Skelly Unit	109	1980' FNL & 660' FWL	E	15-T17S-R31E	To Be Determined	TBD	2 3/8"	.2 psi/ft
Skelly Unit	110	1980' FNL & 1980' FEL	G	14-T17S-R31E	To Be Determined	TBD	2 3/8"	.2 psi/ft
Skelly Unit	111	1980' FSL & 660' FEL	I	14-T17S-R31E	To Be Determined	TBD	2 3/8"	.2 psi/ft
Skelly Unit	112	660' FNL & 660' FEL	Α	14-T17S-R31E	To Be Determined	TBD	2 3/8"	.2 psi/ft
Skelly Unit	113	1980' FNL & 660' FEL	Н	14-T17S-R31E	To Be Determined	TBD	2 3/8"	.2 psi/ft
Skelly Unit	121	660' FSL & 660' FWL	M	23-T17S-R31E	To Be Determined	TBD	2 3/8"	.2 psi/ft

All wells located in Eddy County, New Mexico

Note: Some wells to be re-completed may have perforated intervals other than shown as long as packer setting and maximum pressure are determined as outlined in body of order.