APPLICATION OF PHILLIPS PETROLEUM COMPANY TO EXPAND ITS PRESSURE MAINTENANCE PROJECT IN THE VACUUM-GRAYBURG SAN ANDRES POOL IN LEA COUNTY, NEW MEXICO.

ORDER NO. PMX-102

ADMINISTRATIVE ORDER OF THE OIL CONSERVATION DIVISION

Under the provisions of Order No. R-5897, Phillips Petroleum Company made application to the Division on March 17, 1981, for permission to expand its East Vacuum Unit Pressure Maintenance Project in the Vacuum-Grayburg San Andres Pool in Lea County, New Mexico.

NOW, on this 1st day of April, 1981, 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 Order No. R-5897.
- 4. That the proposed injection well is eligible for conversion to water injection under the terms of Order No. R-5897.
- 5. That the proposed expansion of the above referenced pressure maintenance 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 San Andres formations through plastic-lined tubing set in a packer at approximately 100 feet above the perforated interval in the following described wells for purposes of pressure maintenance to wit:

East Vacuum Unit Wells

Tract 2622 Well No. 005 Unit C, Section 26, Township 17 South, Range 35 East;

Tract 1825 Well No. 002 Unit M, Section 18, Township 17 South, Range 35 East;

Tract 3440 Well No. 006, Unit M, Section 34, Township 17 South, Range 35 East.

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 wells or system shall be equipped with a pressure limiting device which will limit the wellhead pressure to a maximum of 0.2 pounds per square inch at the surface per foot of depth to the uppermost perforation; 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 none of said wells may be placed on injection at greater than hydrostatic pressure if such well is located within one half mile of any well listed on Exhibit "C" to Order R-5897 unless remedial action has been taken on such well to ensure that it will not serve as an avenue of escape for injected waters, or tests have been conducted on such well or other evidence concerning such well has been presented establishing to the satisfaction of the Supervisor of the Hobbs District Office of the Division that remedial work on such well is unnecessary.

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

That the operator shall immediately notify the Supervisor of the Division's Hobbs 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-5897 not inconsistent herewith.

DONE at Santa Fe, New Mexico, on the day and year herein-above designated.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

JOE D. RAMEY

Division Director

SEAL