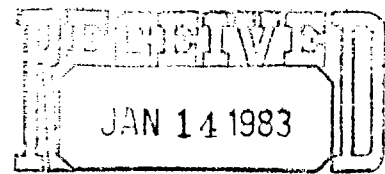




PHILLIPS PETROLEUM COMPANY

ODESSA, TEXAS 79762
4001 PENBROOK

EXPLORATION AND PRODUCTION GROUP
Permian Basin Region



OIL CONSERVATION DIVISION
SANTA FE

January 3, 1982

East Vacuum Grayburg-San Andres Unit
NMOCD Order No. R-5897
INJECTION WELLHEAD PRESSURE LIMITATION
Lea County, New Mexico

New Mexico Dept. of Energy & Materials
Oil Conservation Division (3)
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. Joe Ramey

Gentlemen:

Phillips Petroleum Company, as operator of the subject unit, requests administrative approval of a unit injection wellhead pressure limitation of 1,350 psi. This is done in accordance with Special Rule No. 12 of the subject order, which states in part, "The Division Director may administratively authorize a pressure limitation ... upon showing by the unit operator that such higher pressure will not result in fracturing of the confining strata". The following exhibits substantiate the fact that the requested pressure limitation does not violate this rule.

In order to identify a minimum formation parting pressure, step rate tests were run on thirteen wells spread across the unit. These tests were conducted between September and November, 1982. Exhibit 1 is a plat of the unit showing the locations of the wells tested. Note that the unit is divided into six satellite areas of approximate equal geographic size. These "satellites" are actually six individual well testing and gas separation units located in the approximate center of each of these outlined areas. These satellites are connected to the central tank battery at the center of the unit. The satellite areas are used here merely to illustrate that the wells tested are spread over the entire unit. Note that each satellite area has at least two of the tested wells within it.

Exhibit 2 is a summary of the test results that are shown individually in Exhibits 3 through 15A. These tests were conducted with a pressure gauge at the surface and an Amerada pressure bomb set at the top perforation. In each case, a Halliburton turbine meter was used to measure the injection rate.

Note that in two cases (Exhibits 11 & 14), a plot of the surface pressure data could not adequately identify the parting pressure. However, the BHP data does identify it. This is most likely due to a masking effect caused by friction in the tubing. Since surface pressures were being recorded at the same time, it is very simple to correlate a surface injection pressure to the rate at which the parting pressure was identified downhole. This is identified in Exhibit 2 as

the surface parting pressure. In four other tests (Exhibits 4, 8, 13 & 15), neither the downhole or surface pressure plots identified the formation parting pressure. In one case (Exhibit 4), the permeability is very low and the surface wellhead equipment reached its limit (3,000 psi) at a relatively low injection rate (1.2 BPM). In the other three cases, porosity and permeability are very high, allowing extremely high injectivities. In all cases, it is believed that the parting pressure is higher than can be achieved with our present wellhead equipment limitation.

In five of the thirteen tests (Exhibits 6, 7, 9, 10 & 12), the BHP bomb failed to record. Fortunately, the parting pressure is easily identified on the surface pressure plot. However, in order to check the bottom hole pressure, it was calculated as follows:

$$\text{BHPc} = \text{HH} + \text{SP} - h$$

where;

BHPc - calculated bottom hole pressure (psi)
HH - hydrostatic head (psi) = (0.44) x (Depth of top perforation)
SP - surface pressure (psi)
h - pressure due to friction (psi)

The frictional pressure (h) is defined by Hazen & Williams according to the following formula:

$$h = L \left[\frac{94.92Q}{(CD^{2.63})} \right]^{1.852}$$

where;

L - depth of top perforation (ft.)
Q - injection rate (bbls./min.)
C - Hazen & Williams coefficient
D - inside diameter of pipe (inches)

According to the Tuboscope Coating Research and Engineering Department, the Hazen & Williams coefficient for plastic-coated pipe is 140, as compared to 100 for new steel pipe. (Tuboscope manufactures the coating used in the tubing on EVGSAU.) Therefore, the above equation becomes:

$$h \text{ (for 2-7/8" tubing)} = L (0.0649 Q)^{1.852}$$

East Vacuum Grayburg-San Andres Unit
NMOCD Order No. R-5897
INJECTION WELLHEAD PRESSURE LIMITATION
January 3, 1982
Page 3

In each of these five tests, the injection rate at the parting pressure is very similar on both plots. Whereas these plots do provide supportive data, they all identify parting pressures above the requested wellhead injection pressure limitation.

At the present maximum pressure limitation of 920 psi, injection rates have begun to decline. In order to maintain sufficient injection, it is requested that the unit injection wellhead pressure limitation be increased to 1,350 psi. (This is slightly lower than the lowest recorded parting pressure [see Exhibit 2] so as to insure that the formation is not fractured.) This will enable the timely recovery of the secondary reserves in the unit. Any further information you require will gladly be forwarded. Your prompt attention is appreciated.

Sincerely,

A handwritten signature in cursive script, reading "G. R. Smith".

G. R. Smith, Chairman
Working Interest Owners Committee

MHB:adk

Attachments

cc: New Mexico Dept. of Energy and Minerals
Oil Conservation Division
P. O. Box 1980
Hobbs, New Mexico
Attn: Mr. Jerry Sexton

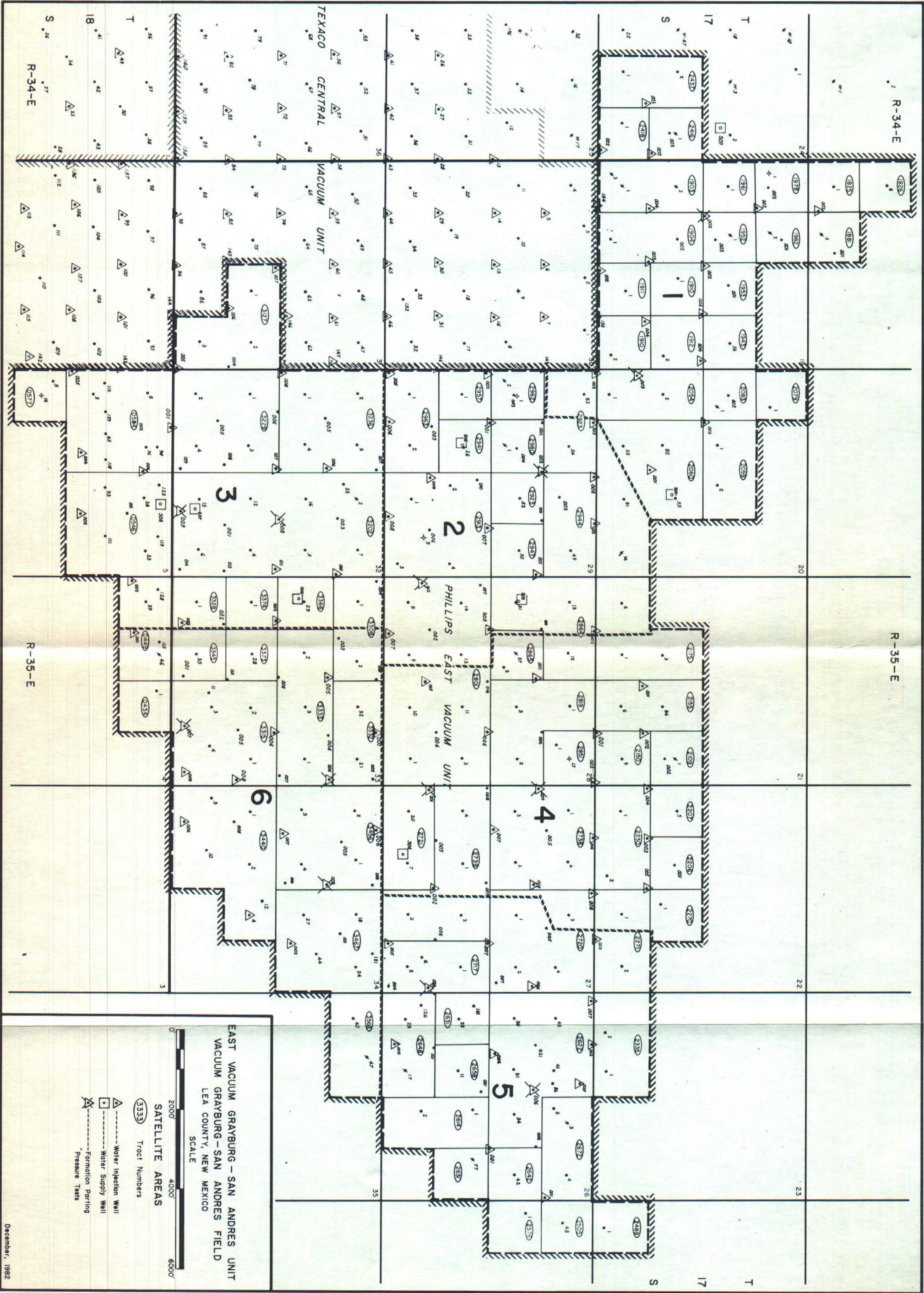


EXHIBIT 2

SUMMARY OF FORMATION
PARTING PRESSURE TEST RESULTS

| <u>Tract-Well</u> | <u>Satellite No.</u> | <u>Depth of Top Perforation</u> | <u>Tubing Size</u> | <u>Surface Parting Pressure, psi</u> | <u>Inj. Rate at Parting Pressure, BPD</u> |
|-------------------|--------------------------|---|------------------------|--|---|
| 1952-W002 | 1 | 4606' | 2-3/8" | 1500 | 1080 |
| 2054-W003 | 1 | 4590' | 2-3/8" | NIPP | 1728 ⁺ |
| 2980-W003 | 2 | 4580' | 2-3/8" | 2035 | 2563 |
| 2801-W012* | 2 | 4445' | 2-7/8" | 1985 | 5976 |
| 3202-W008* | 3 | 4366' | 2-7/8" | 1725 | 8352 |
| 3202-W009 | 3 | 4395' | 2-7/8" | NIPP | 7488 ⁺ |
| 2738-W009* | 4 | 4440' | 2-7/8" | 2000 | 2340 |
| 2721-W001* | 4 | 4352' | 2-7/8" | 1710 | 4608 |
| 2717-W003 | 5 | 4394' | 2-7/8" | 1450** | 6394 |
| 2622-W006* | 5 | 4480' | 2-7/8" | 1550 | 5040 |
| 3456-W009 | 6 | 4446' | 2-7/8" | NIPP | 8640 ⁺ |
| 3333-W006 | 6 | 4387' | 2-7/8" | 1785** | 7884 |
| 3315-W007 | 6 | 4505' | 2-7/8" | NIPP | 8640 ⁺ |

NIPP - No identifiable parting pressure.

* - The BHP bomb failed during these tests. Calculated bottom hole pressures are shown on the data sheets and graphs for these wells.

** - In these tests, the parting pressure was not evident from the surface pressure plots. However, the BHP plots did show the formation parting. The surface parting pressures shown here are read directly from the measured surface pressure curve at the rate at which the BHP plot shows the formation parting.

⁺ - Where no identifiable parting pressure is shown, the maximum injection rate attained during the test is given.

EXHIBIT 3

East Vacuum Grayburg-San Andres Unit
Lea County, New Mexico

Formation Parting Pressure

Tract 1952, Well No. W002

Unit F, Sec. 19, T-17-S, R-35-E

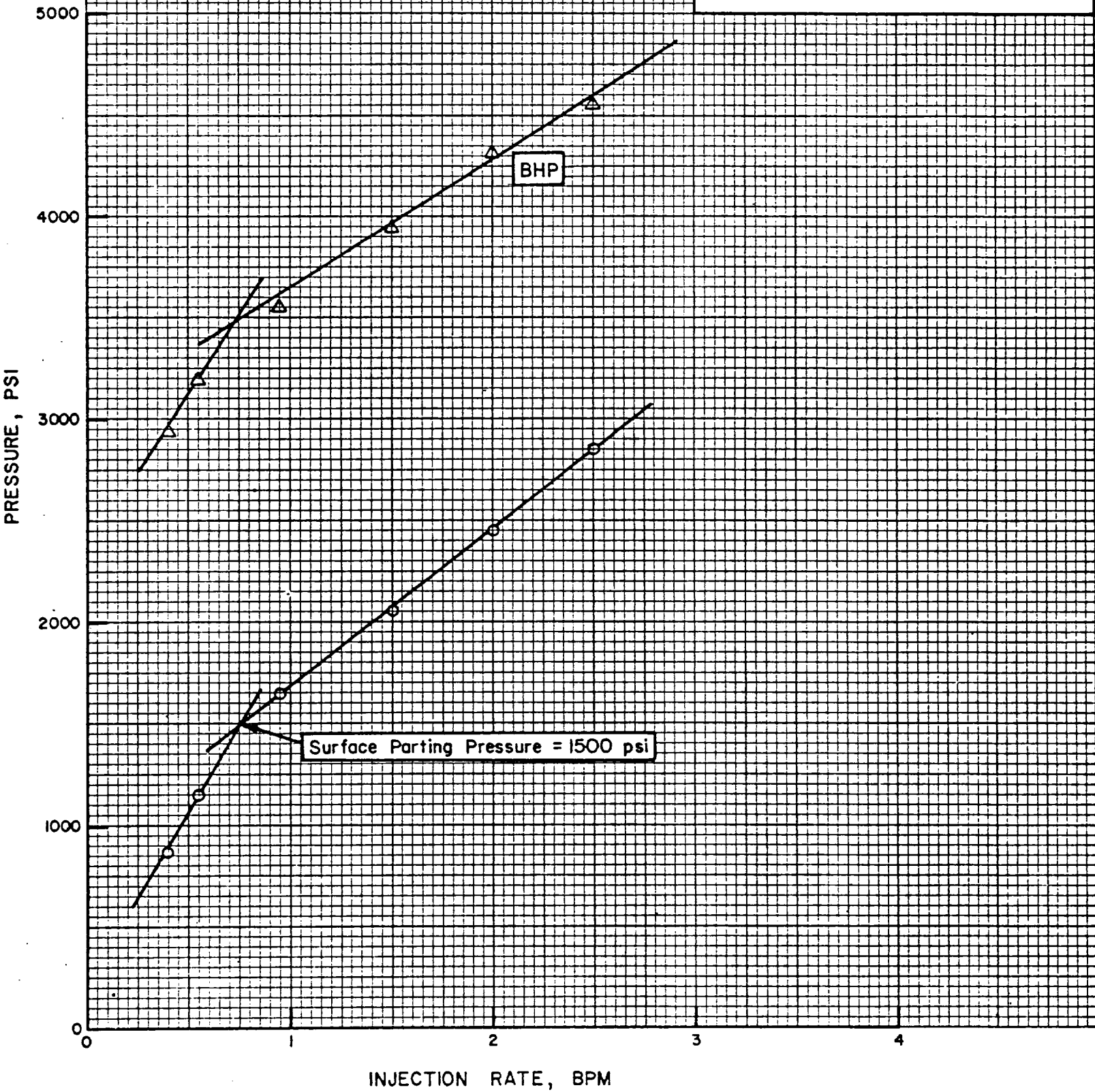


EXHIBIT 3A

EAST VACUUM GRAYBURG-SAN ANDRES UNIT
Tract 1952, Well No. W002

FORMATION PARTING PRESSURE
TEST DATA

| Injection Rate | | Pressure, PSI | |
|----------------|------------|----------------|------------|
| <u>BPM</u> | <u>BPD</u> | <u>Surface</u> | <u>BHP</u> |
| 0.4 | 576 | 875 | 2959 |
| 0.55 | 792 | 1150 | 3200 |
| 0.95 | 1368 | 1650 | 3564 |
| 1.5 | 2160 | 2050 | 3956 |
| 2.0 | 2880 | 2450 | 4329 |
| 2.5 | 3600 | 2850 | 4560 |

EXHIBIT 4

East Vacuum Grayburg-San Andres Unit
Lea County, New Mexico
Formation Parting Pressure
Tract 2054, Well No. W003
Unit M, Sec. 20, T-17-S, R-35-E

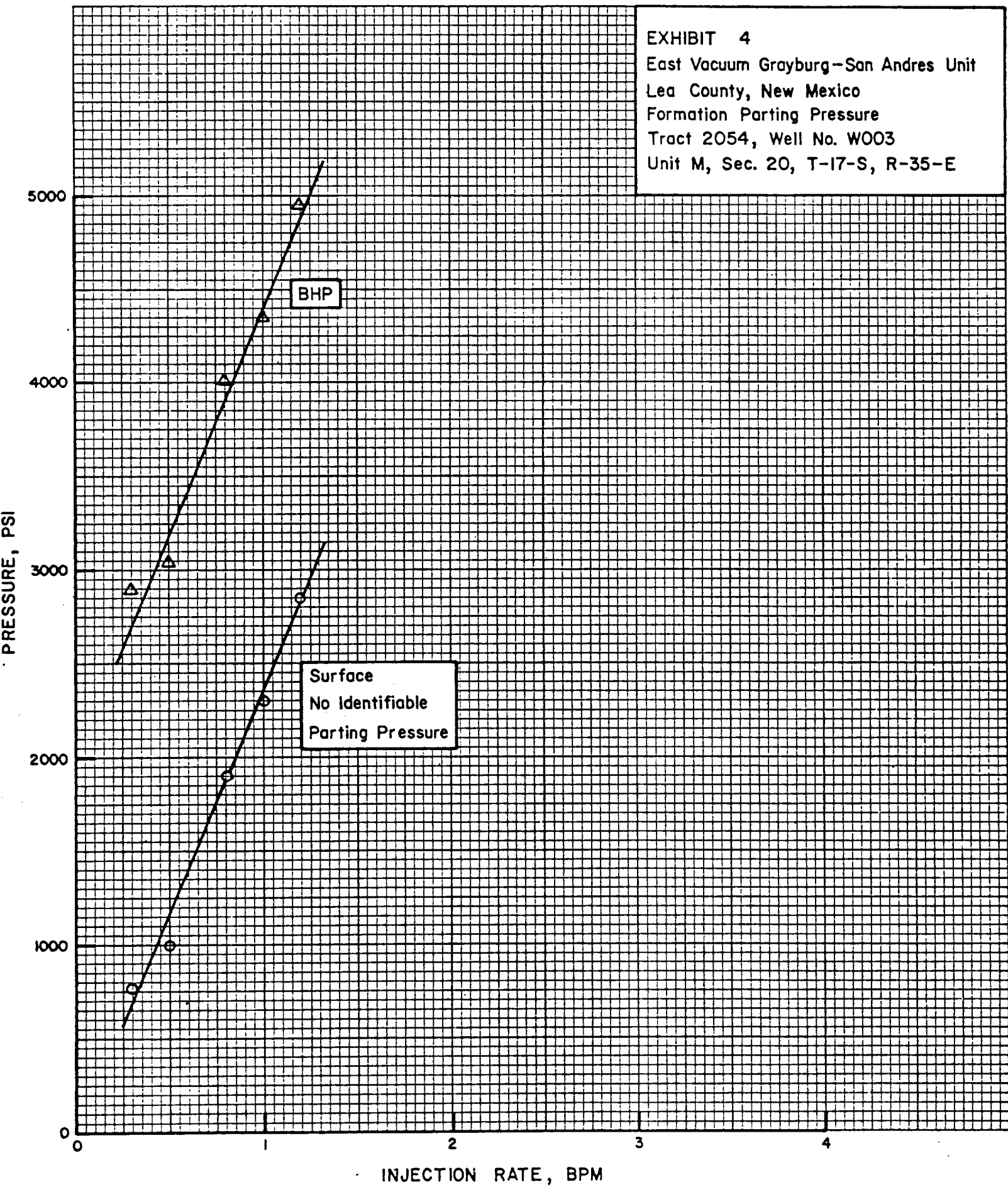


EXHIBIT 4A

EAST VACUUM GRAYBURG-SAN ANDRES UNIT
Tract 2054, Well No. W003

FORMATION PARTING PRESSURE
TEST DATA

| Injection Rate | | Pressure, PSI | |
|----------------|------------|----------------|------------|
| <u>BPM</u> | <u>BPD</u> | <u>Surface</u> | <u>BHP</u> |
| 0.3 | 432 | 775 | 2909 |
| 0.5 | 720 | 1000 | 3058 |
| 0.8 | 1152 | 1900 | 4011 |
| 1.0 | 1440 | 2300 | 4361 |
| 1.2 | 1728 | 2900 | 4959 |

EXHIBIT 5

East Vacuum Grayburg-San Andres Unit
Lea County, New Mexico
Formation Parting Pressure
Tract 2980, Well No. W003
Unit F, Sec. 29, T-17-S, R-35-E

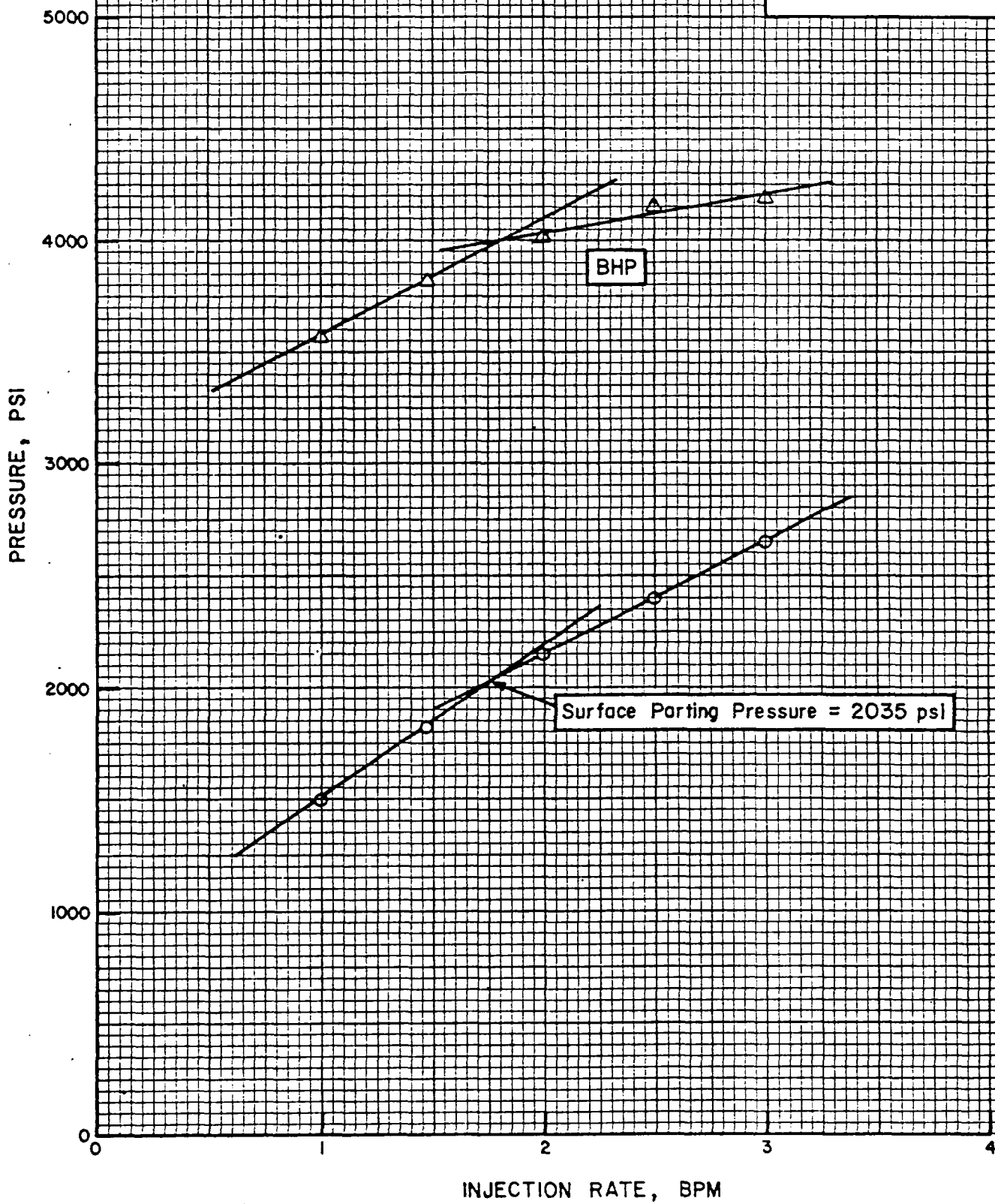


EXHIBIT 5A

EAST VACUUM GRAYBURG-SAN ANDRES UNIT
Tract 2980, Well No. W003

FORMATION PARTING PRESSURE
TEST DATA

| Injection Rate | | Pressure, PSI | |
|----------------|------------|----------------|------------|
| <u>BPM</u> | <u>BPD</u> | <u>Surface</u> | <u>BHP</u> |
| 1.0 | 1440 | 1500 | 3573 |
| 1.45 | 2088 | 1825 | 3819 |
| 2.0 | 2880 | 2150 | 4019 |
| 2.5 | 3600 | 2400 | 4152 |
| 3.0 | 4320 | 2650 | 4193 |

EXHIBIT 6

East Vacuum Grayburg-San Andres Unit
Lea County, New Mexico

Formation Parting Pressure

Tract 2801, Well No. W012

Unit M, Sec. 28, T-17-S, R-35-E

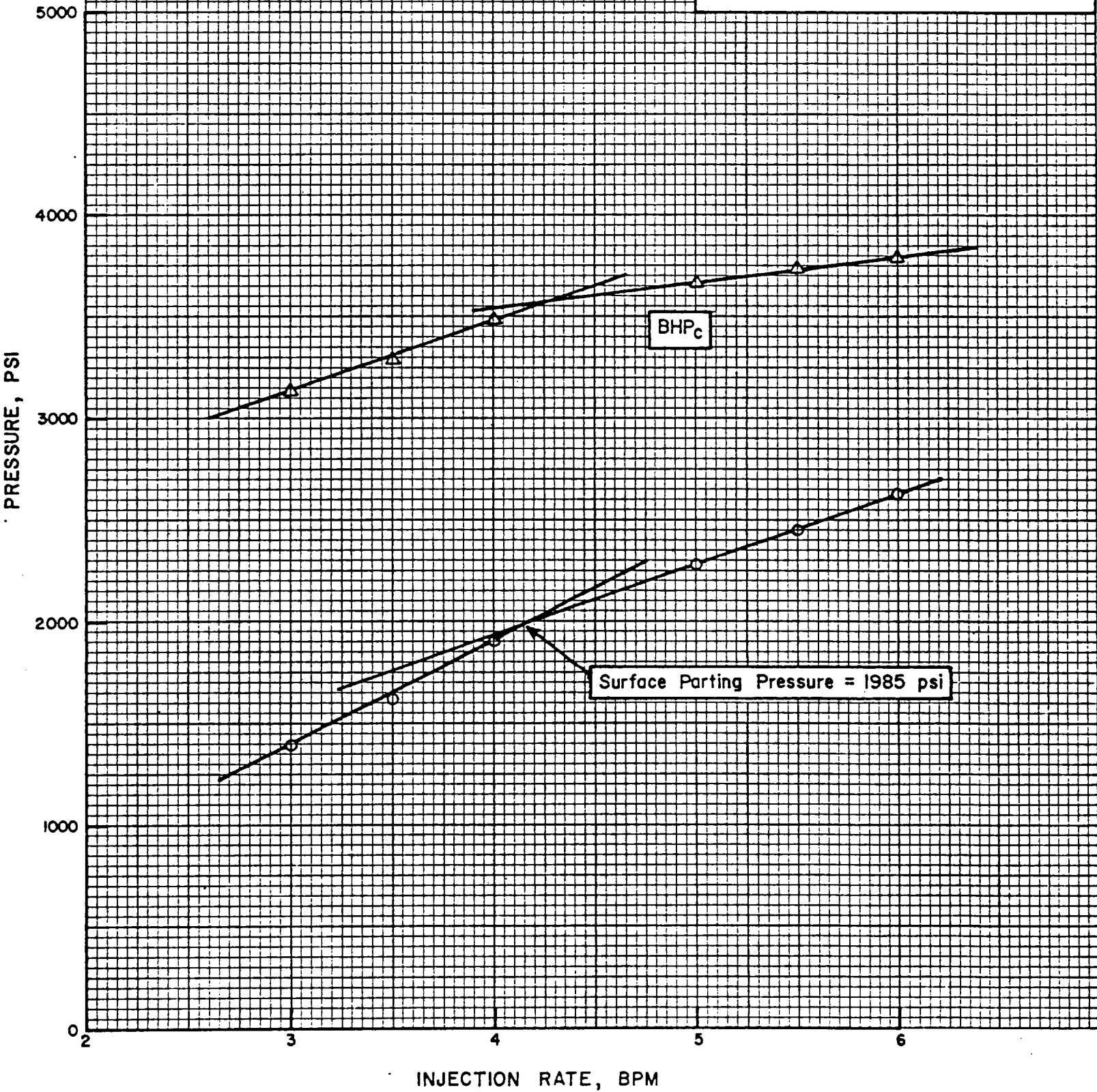


EXHIBIT 6A

EAST VACUUM GRAYBURG-SAN ANDRES UNIT
Tract 2801, Well No. W012

FORMATION PARTING PRESSURE
TEST DATA

| Injection Rate | | Pressure, PSI | |
|----------------|------------|----------------|-------------|
| <u>BPM</u> | <u>BPD</u> | <u>Surface</u> | <u>BHPc</u> |
| 3.0 | 4320 | 1400 | 3141 |
| 3.5 | 5040 | 1625 | 3295 |
| 4.0 | 5760 | 1900 | 3490 |
| 5.0 | 7200 | 2275 | 3678 |
| 5.5 | 7920 | 2400 | 3746 |
| 6.0 | 8640 | 2625 | 3806 |

EXHIBIT 7

East Vacuum Grayburg-San Andres Unit

Lea County, New Mexico

Formation Parting Pressure

Tract 3202, Well No. W008

Unit G, Sec. 32, T-17-S, R-35-E

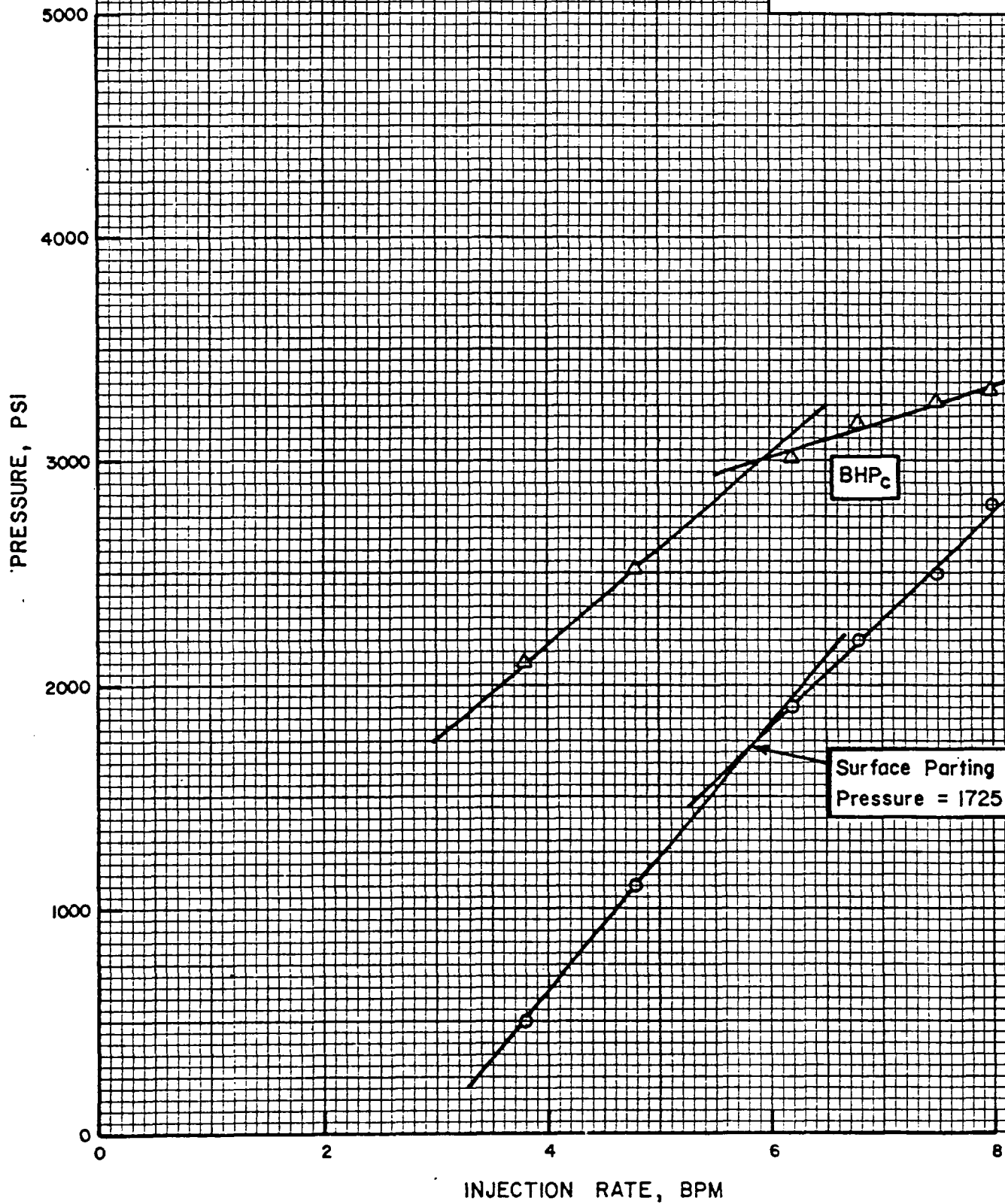


EXHIBIT 7A

EAST VACUUM GRAYBURG-SAN ANDRES UNIT
Tract 3202, Well No. W008

FORMATION PARTING PRESSURE
TEST DATA

| Injection Rate | | Pressure, PSI | |
|----------------|------------|----------------|-------------|
| <u>BPM</u> | <u>BPD</u> | <u>Surface</u> | <u>BHPc</u> |
| 3.8 | 5472 | 500 | 2094 |
| 4.8 | 6912 | 1100 | 2518 |
| 6.2 | 8928 | 1900 | 3012 |
| 6.8 | 9792 | 2200 | 3161 |
| 7.5 | 10800 | 2500 | 3270 |
| 8.0 | 11520 | 2750 | 3314 |

EXHIBIT 8

East Vacuum Grayburg-San Andres Unit
Lea County, New Mexico

Formation Parting Pressure

Tract 3202, Well No. W009

Unit O, Sec. 32, T-17-S, R-35-E

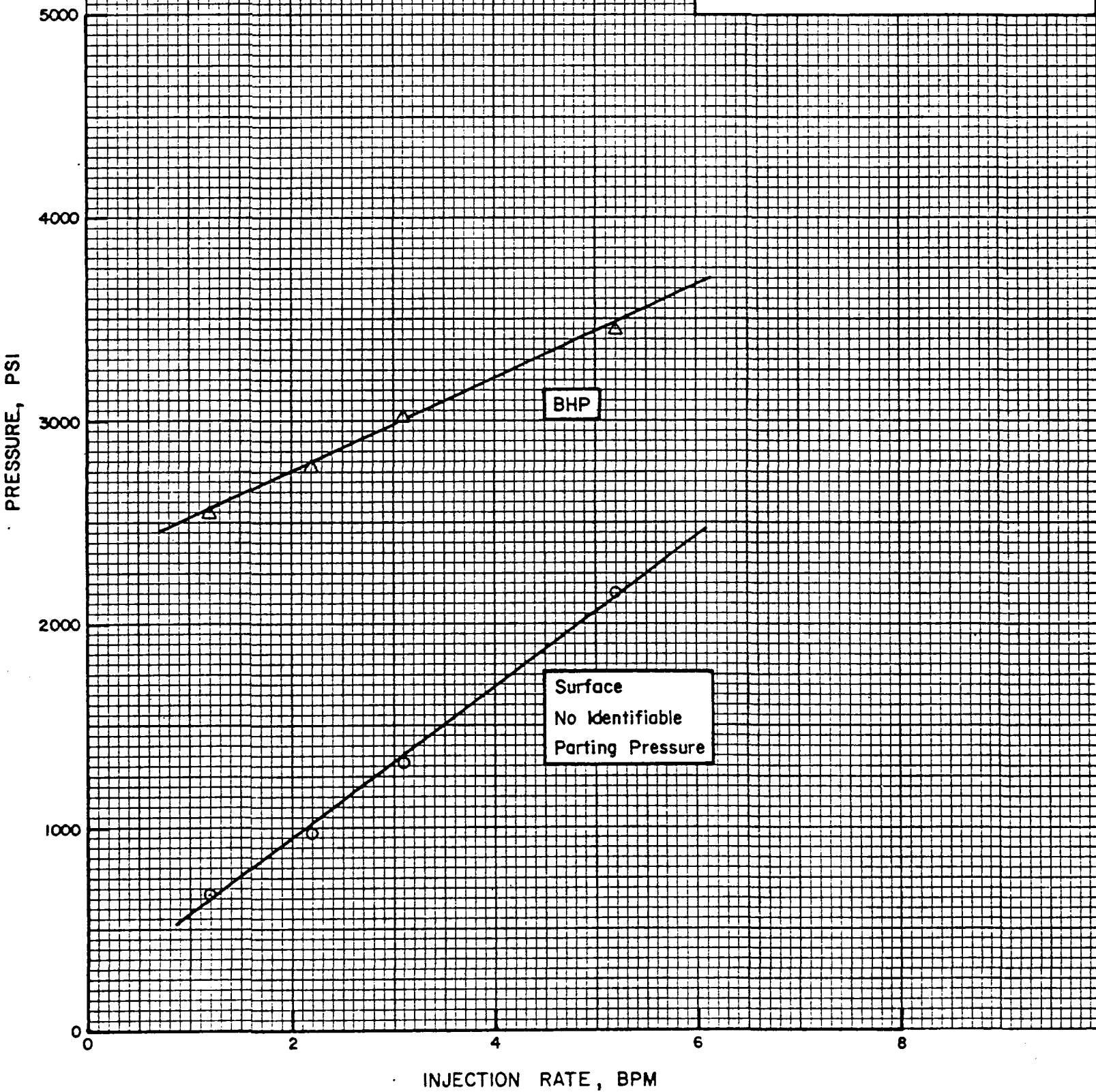


EXHIBIT 8A

EAST VACUUM GRAYBURG-SAN ANDRES UNIT
Tract 3202, Well No. W009

FORMATION PARTING PRESSURE
TEST DATA

| Injection Rate | | Pressure, PSI | |
|----------------|------------|----------------|------------|
| <u>BPM</u> | <u>BPD</u> | <u>Surface</u> | <u>BHP</u> |
| 1.2 | 1728 | 670 | 2565 |
| 2.2 | 3168 | 975 | 2782 |
| 3.1 | 4464 | 1320 | 3019 |
| 5.2 | 7488 | 2150 | 3449 |

EXHIBIT 9

East Vacuum Grayburg-San Andres Unit
Lea County, New Mexico

Formation Parting Pressure
Tract 2738, Well No. W009

Unit E, Sec. 27, T-17-S, R-35-E

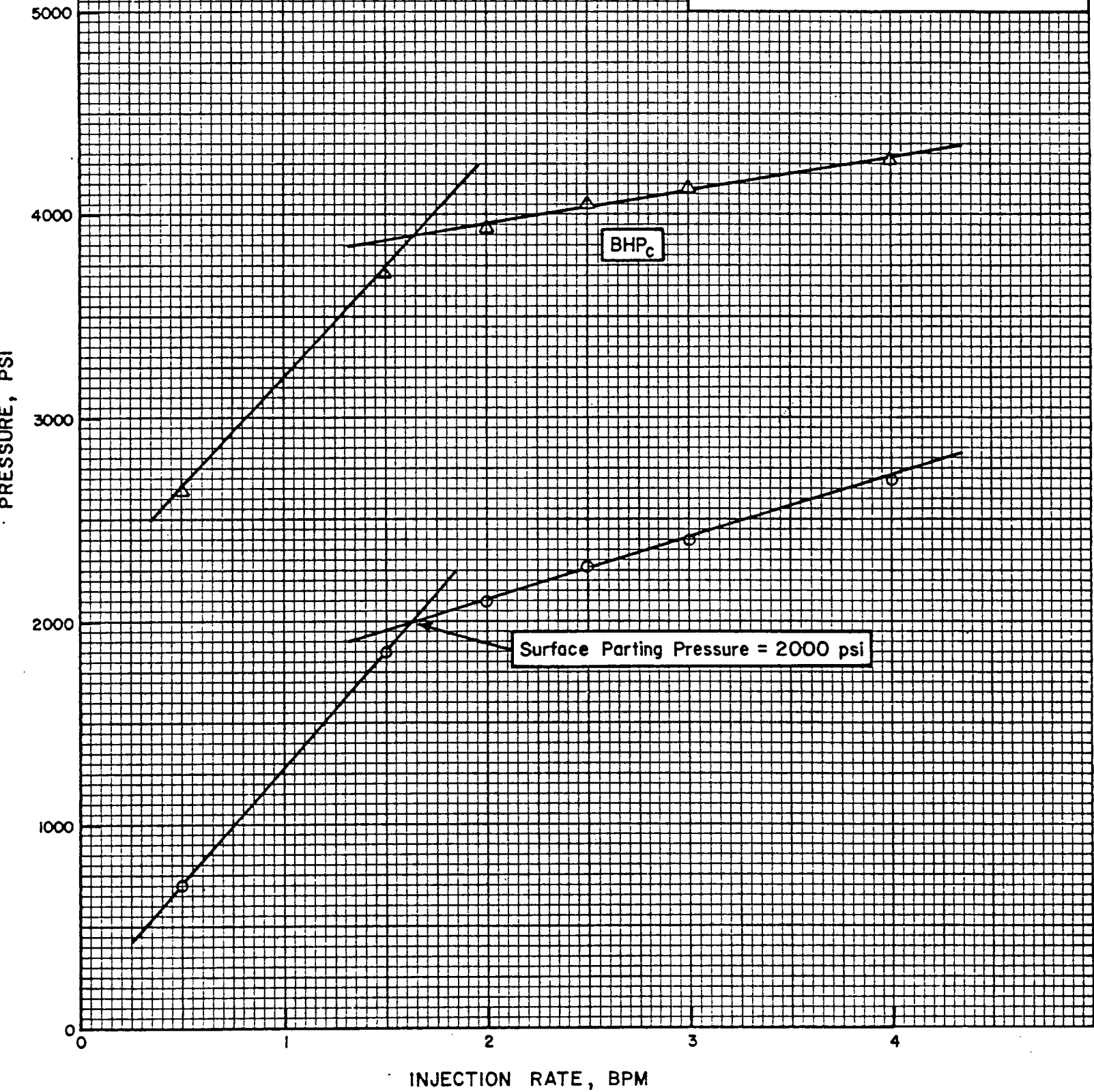


EXHIBIT 9A

EAST VACUUM GRAYBURG-SAN ANDRES UNIT
Tract 2738, Well No. W009

FORMATION PARTING PRESSURE
TEST DATA

| Injection Rate | | Pressure, PSI | |
|----------------|------------|----------------|-------------|
| <u>BPM</u> | <u>BPD</u> | <u>Surface</u> | <u>BHPc</u> |
| 0.5 | 720 | 720 | 2666 |
| 1.5 | 2160 | 1850 | 3744 |
| 2.0 | 2880 | 2100 | 3952 |
| 2.5 | 3600 | 2275 | 4076 |
| 3.0 | 4320 | 2400 | 4139 |
| 4.0 | 5760 | 2700 | 4288 |

EXHIBIT 10

East Vacuum Grayburg—San Andres Unit
Lea County, New Mexico

Formation Parting Pressure

Tract 2721, Well No. W001

Unit M, Sec. 27, T-17-S, R-35-E

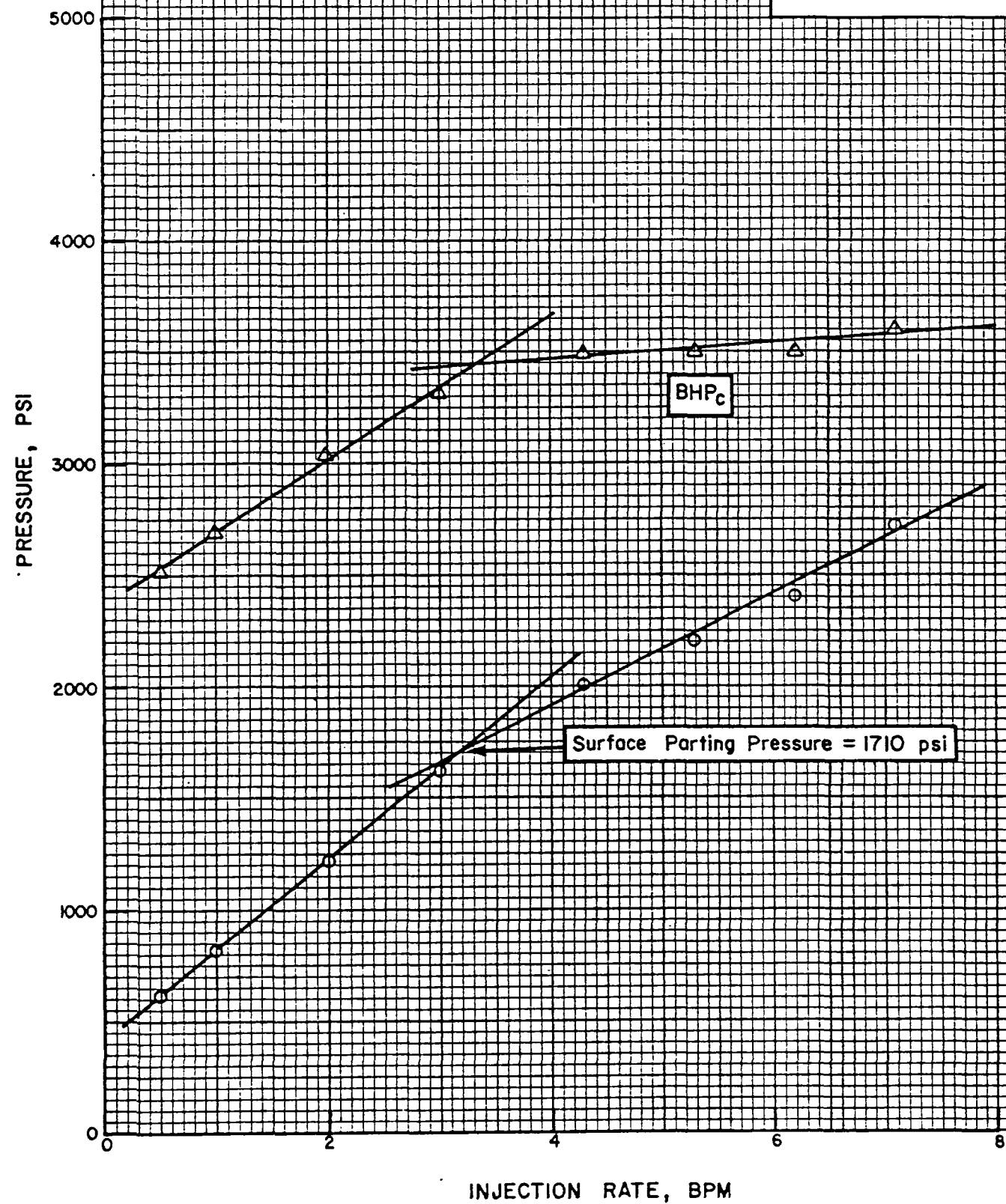


EXHIBIT 10A

EAST VACUUM GRAYBURG-SAN ANDRES UNIT
Tract 2721, Well No. W001

FORMATION PARTING PRESSURE TEST DATA

| Injection Rate | | Pressure, PSI | |
|----------------|------------|----------------|-------------|
| <u>BPM</u> | <u>BPD</u> | <u>Surface</u> | <u>BHPc</u> |
| 0.5 | 720 | 625 | 2532 |
| 1.0 | 1440 | 825 | 2712 |
| 2.0 | 2880 | 1225 | 3041 |
| 3.0 | 4320 | 1625 | 3330 |
| 4.3 | 6192 | 2000 | 3506 |
| 5.3 | 7632 | 2060 | 3512 |
| 6.2 | 8928 | 2400 | 3509 |
| 7.1 | 10224 | 2720 | 3599 |

EXHIBIT II

East Vacuum Grayburg-San Andres Unit
Lea County, New Mexico

Formation Parting Pressure

Tract 2717, Well No. W003

Unit P, Sec. 27, T-17-S, R-35-E

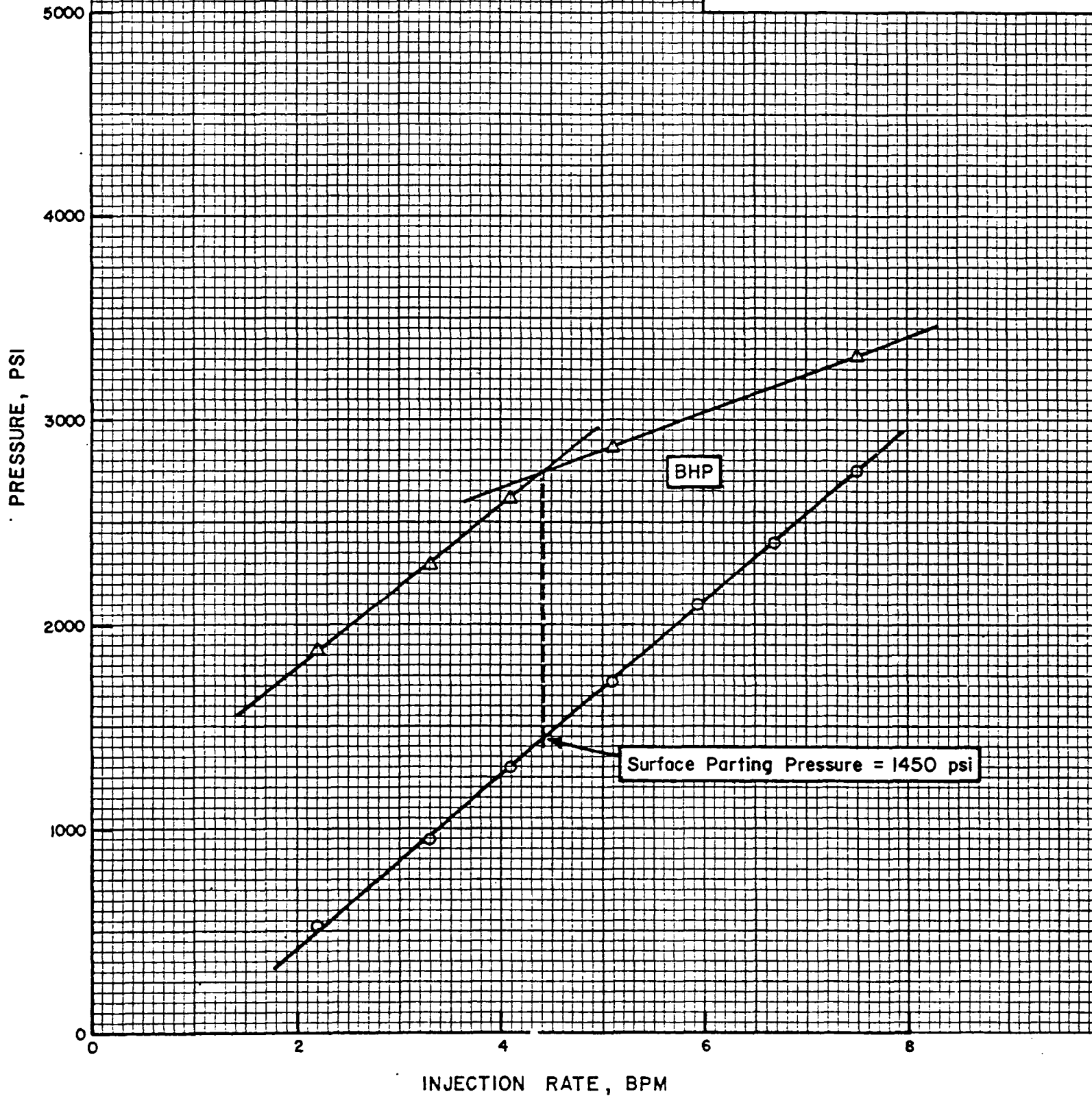


EXHIBIT 11A

EAST VACUUM GRAYBURG-SAN ANDRES UNIT
Tract 2717, Well No. W003

FORMATION PARTING PRESSURE TEST DATA

| Injection Rate | | Pressure, PSI | |
|----------------|------------|----------------|------------|
| <u>BPM</u> | <u>BPD</u> | <u>Surface</u> | <u>BHP</u> |
| 2.2 | 3168 | 525 | 1879 |
| 3.3 | 4752 | 950 | 2300 |
| 4.1 | 5904 | 1300 | 2631 |
| 5.1 | 7344 | 1725 | 2871 |
| 5.95 | 8568 | 2100 | * |
| 6.7 | 9648 | 2400 | * |
| 7.5 | 10800 | 2750 | 3321 |

*BHP bomb failure

EXHIBIT 12

East Vacuum Grayburg-San Andres Unit
Lea County, New Mexico

Formation Parting Pressure

Tract 2622, Well No. W006

Unit F, Sec. 26, T-17-S, R-35-E

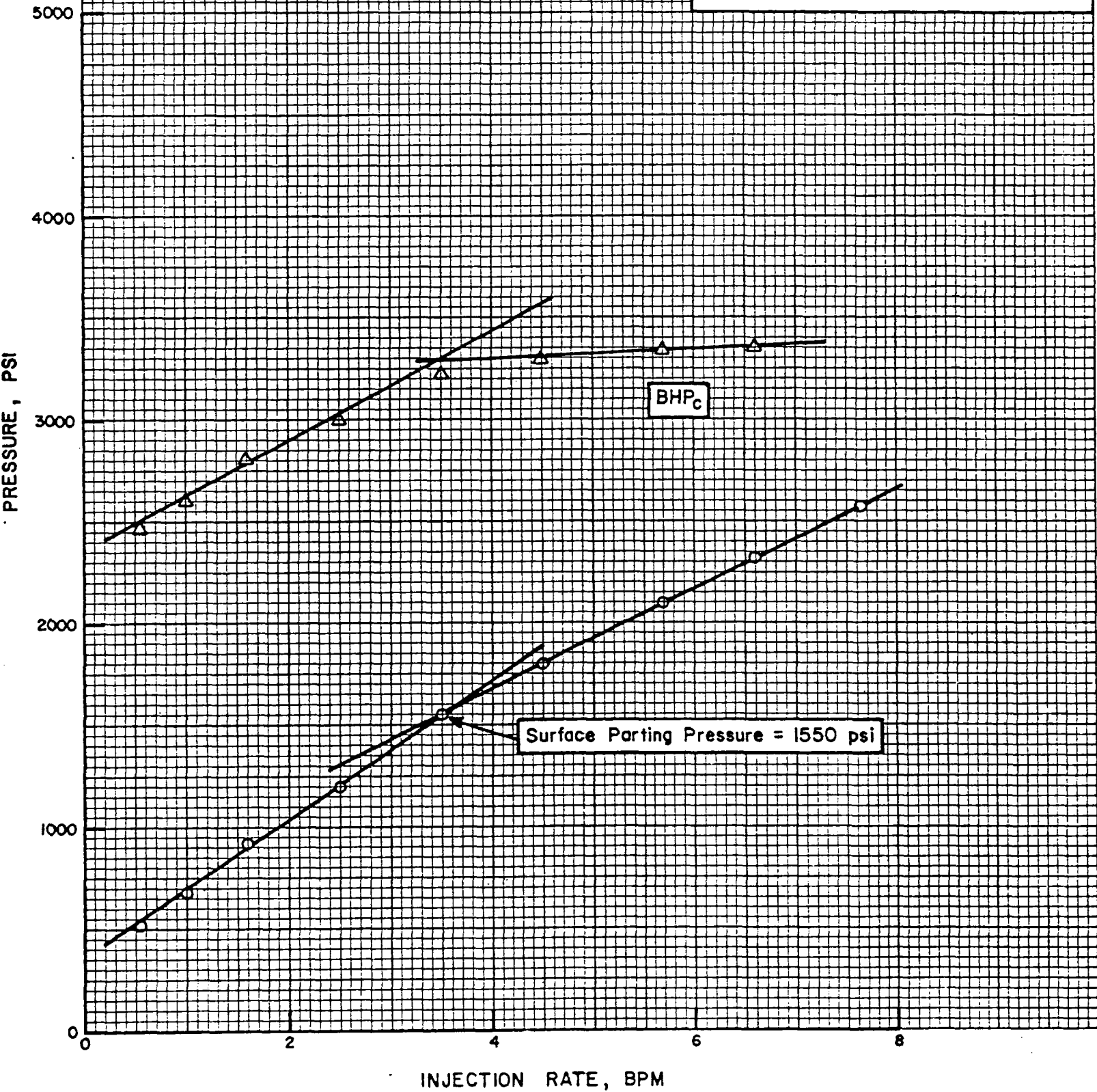


EXHIBIT 12A

EAST VACUUM GRAYBURG-SAN ANDRES UNIT
Tract 2622, Well No. W006

FORMATION PARTING PRESSURE TEST DATA

| Injection Rate | | Pressure, PSI | |
|----------------|------------|----------------|-------------|
| <u>BPM</u> | <u>BPD</u> | <u>Surface</u> | <u>BHPc</u> |
| 0.55 | 792 | 525 | 2487 |
| 1.0 | 1440 | 680 | 2623 |
| 1.6 | 2304 | 925 | 2829 |
| 2.5 | 3600 | 1200 | 3017 |
| 3.5 | 5040 | 1550 | 3233 |
| 4.5 | 6480 | 1800 | 3313 |
| 5.7 | 8208 | 2100 | 3361 |
| 6.6 | 9504 | 2325 | 3364 |
| 7.65 | 11016 | 2575 | 3321 |

EXHIBIT 13

East Vacuum Grayburg-San Andres Unit
Lea County, New Mexico

Formation Parting Pressure

Tract 3456, Well No. W009

Unit F, Sec. 34, T-17-S, R-35-E

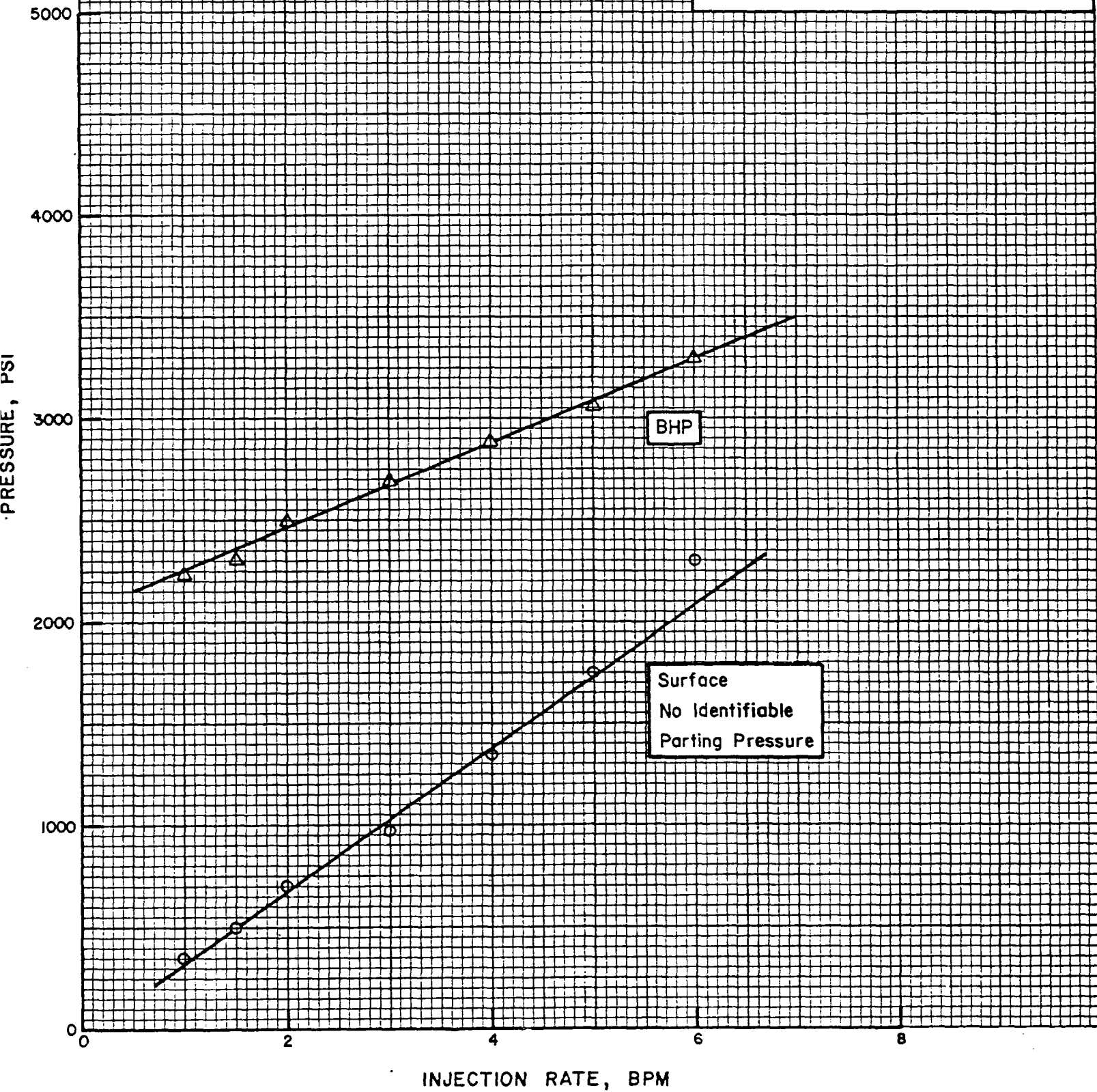


EXHIBIT 13A

EAST VACUUM GRAYBURG-SAN ANDRES UNIT
Tract 3456, Well No. W009

FORMATION PARTING PRESSURE
TEST DATA

| Injection Rate | | Pressure, PSI | |
|----------------|------------|----------------|------------|
| <u>BPM</u> | <u>BPD</u> | <u>Surface</u> | <u>BHP</u> |
| 1.0 | 1440 | 400 | 2298 |
| 1.5 | 2160 | 550 | 2375 |
| 2.0 | 2880 | 750 | 2565 |
| 3.0 | 4320 | 1020 | 2758 |
| 4.0 | 5760 | 1400 | 2945 |
| 5.0 | 7200 | 1800 | 3129 |
| 6.0 | 8640 | 2350 | 3362 |

EXHIBIT 14

East Vacuum Grayburg-San Andres Unit
Lea County, New Mexico

Formation Parting Pressure

Tract 3333, Well No. W006

Unit H, Sec. 33, T-17-S, R-35-E

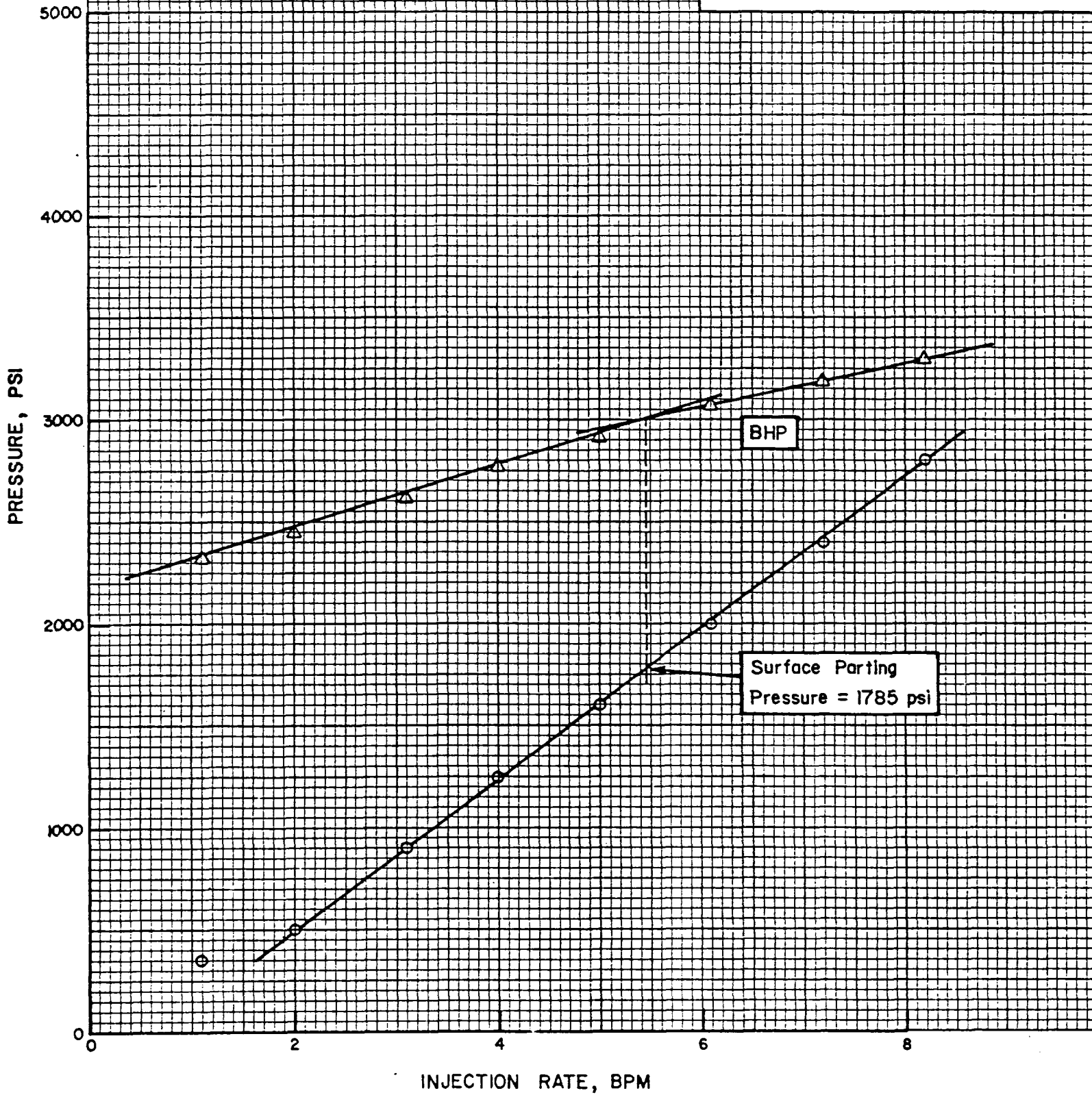


EXHIBIT 14A

EAST VACUUM GRAYBURG-SAN ANDRES UNIT
Tract 3333, Well No. W006

FORMATION PARTING PRESSURE TEST DATA

| Injection Rate | | Pressure, PSI | |
|----------------|------------|----------------|------------|
| <u>BPM</u> | <u>BPD</u> | <u>Surface</u> | <u>BHP</u> |
| 1.1 | 1584 | 350 | 2333 |
| 2.0 | 2880 | 500 | 2457 |
| 3.1 | 4464 | 900 | 2628 |
| 4.0 | 5760 | 1250 | 2788 |
| 5.0 | 7200 | 1600 | 2915 |
| 6.1 | 8784 | 2000 | 3063 |
| 7.2 | 10368 | 2400 | 3189 |
| 8.2 | 11808 | 2800 | 3304 |

EXHIBIT 15

East Vacuum Grayburg - San Andres Unit
Lea County, New Mexico

Formation Parting Pressure

Tract 3315, Well No. W007

Unit O, Sec. 33, T-17-S, R-35-E

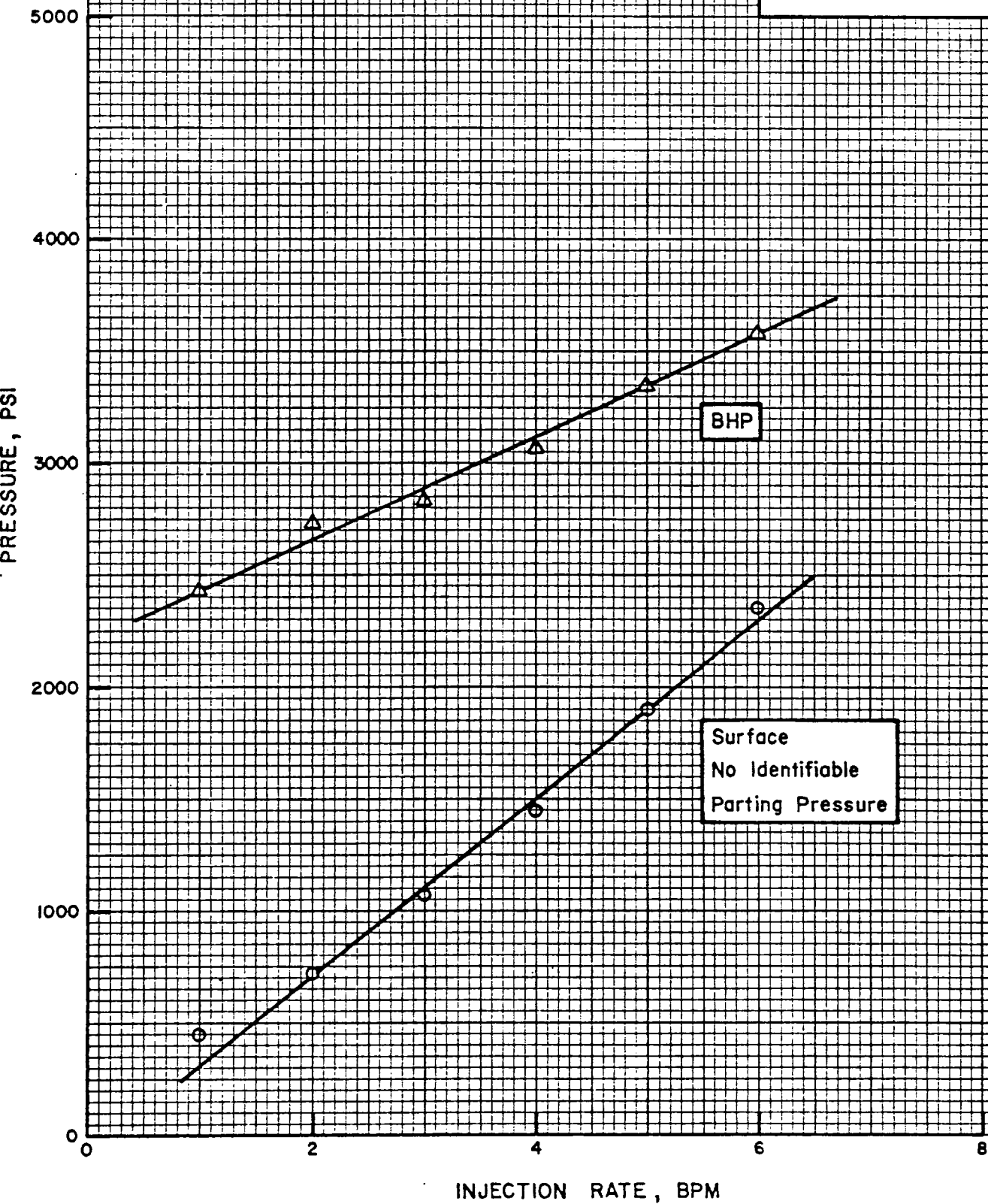


EXHIBIT 15A

EAST VACUUM GRAYBURG-SAN ANDRES UNIT
Tract 3315, Well No. W007

FORMATION PARTING PRESSURE
TEST DATA

| Injection Rate | | Pressure, PSI | |
|----------------|------------|----------------|------------|
| <u>BPM</u> | <u>BPD</u> | <u>Surface</u> | <u>BHP</u> |
| 1.0 | 1440 | 450 | 2433 |
| 2.0 | 2880 | 725 | 2741 |
| 3.0 | 4320 | 1070 | 2837 |
| 4.0 | 5760 | 1460 | 3066 |
| 5.0 | 7200 | 1900 | 3353 |
| 6.0 | 8640 | 2350 | 3584 |

OIL CONSERVATION DIVISION
DISTRICT 1

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

DATE November 27, 1982

RE: Proposed MC _____
Proposed DHC _____
Proposed NSL _____
Proposed NSP _____
Proposed SWD _____
Proposed WFX _____
Proposed PMX X _____

Gentlemen:

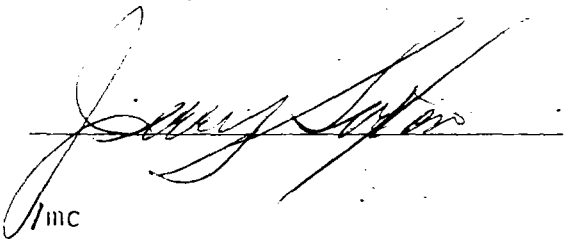
I have examined the application for the:

Phillips Pet. Co. East Vacuum G/SA Unit Tr. 2622 #7, Tr. 2720 #8, Tr. 3202 #10
Operator _____ Lease and Well No. _____ Unit, S - T - R

and my recommendations are as follows:

O.K.----J.S.

Yours very truly,


JLT/mc