

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



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GOVERNOR

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APPLICATION OF HIXON DEVELOPMENT COMPANY
TO EXPAND ITS PRESSURE MAINTENANCE
PROJECT IN THE BISTI LOWER GALLUP
POOL IN SAN JUAN COUNTY, NEW MEXICO

ORDER NO. PMX-150

ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION

Under the provisions of Division Order No. R-2065, Hixon Development Company has made application to the Division on October 29, 1987 for permission to expand its Carson Bisti-Lower Gallup Pressure Maintenance Project in the Bisti Lower Gallup Pool in San Juan County, New Mexico.

NOW, on this 9th day of December, 1987, 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 well is eligible for conversion to water injection under the terms of Rule 701.
- (5) The proposed expansion of the above referenced pressure maintenance project will not cause waste nor impair correlative rights.
- (6) The application should be approved.

IT IS THEREFORE ORDERED THAT:

The applicant, Hixon Development Company, be and the same is hereby authorized to inject water into the perforated interval from 4861 feet to 4976 feet in the Lower Gallup formation through 2 3/8-inch plastic lined tubing set in a packer at approximately 4660 feet in the following described well for the purposes of pressure maintenance to wit:

Carson Unit Well No. 24-18
660 FSL & 1930 FWL, Unit N,
Section 18, Township 25 North,
Range 12 West, NMPM, San Juan
County, New Mexico.

IT IS FURTHER ORDERED:

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 well, the casing shall be pressure 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 well to no more than 972 psi.

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 Gallup formation. 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 Aztec 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.

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

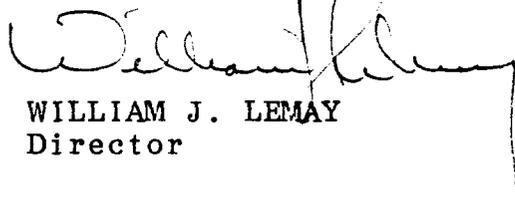
The subject well shall be governed by all provisions of Division Order No. R-2065 and Rule 702 - 706 of the Division Rules and Regulations not inconsistent herewith.

PROVIDED FURTHER THAT, jurisdiction of this cause is hereby retained by the Division for such further order or orders as may seem 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.

DONE at Santa Fe, New Mexico, on this 9th day of December, 1987.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

A handwritten signature in cursive script, appearing to read "William J. Lemay", is written over the typed name and title. The signature is written in dark ink and extends to the right of the typed text.

WILLIAM J. LEMAY
Director

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