

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

APPLICATION OF SHELL WESTERN E & P TO EXPAND ITS
PRESSURE MAINTENANCE PROJECT IN THE HOBBS GRAYBURG/
SAN ANDRES POOL IN LEA COUNTY, NEW MEXICO

ORDER NO. PMX-151

ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION

Under the provisions of Division Order No. R-6199, Shell Western E & P has made application to the Division on December 18, 1987 for permission to expand its North Hobbs Grayburg San Andres Pressure Maintenance Project in the Hobbs Grayburg San Andres Pool in Lea County, New Mexico.

NOW, on this 27th day of January, 1988, 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 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, Shell Western E & P, be and the same is hereby authorized to inject water into the Grayburg-San Andres formation at approximately 4030 feet to approximately 4270 feet through 2 7/8-inch plastic lined tubing set in a packer located approximately within 100' feet of the uppermost perforations in the 17 wells shown on Exhibit "A" attached to this order.

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 in each well shall be pressure^{ted} from the surface to the packer setting depth to assure the integrity of said casing.

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.

Prior to commencing injections into the 20-131 well, the applicant shall re-cement the casing in said well across and above the injection zone in a manner satisfactory to the supervisor of the Hobbs district office of the Division.

The injection wells 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/ft. of depth to the uppermost 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-San Andres 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 Hobbs 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.

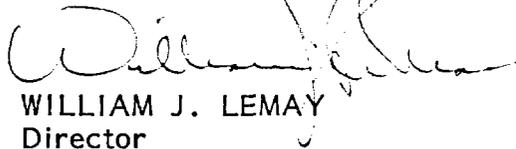
The operator shall immediately notify the supervisor of the Hobbs district office of the Division of the failure of tubing, casing, or packer in said wells and shall take such steps as may be timely and necessary to correct such failure or leakage.

The subject wells shall be governed by all provisions of Division Order No. R-6199 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 27th day of January, 1988.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY
Director

S E A L

LIST OF OFFSET OPERATORS & SURFACE OWNERS

North Hobbs (Grayburg/San Andres) Unit
Well No. 322
Letter G, Section 31, T-18-S, R-38-E
Lea County, New Mexico

Offset Operators

Occidental Permian Limited Partnership
P.O. Box 4294
Houston, TX 77210-4294

Lewis B. Burlison, Inc.
P.O. Box 2479
Midland, TX 79702

Ralph C. Bruton
3500 Acoma
Hobbs, NM 88240

Texland Petroleum-Hobbs, LLC
777 Main, Suite 3200
Ft. Worth, TX 76102

Surface Owners

Kress Jones
3729 W. Sanger
Hobbs, NM 88240

AFFIDAVIT OF PUBLICATION

State of New Mexico,
County of Lea.

I, KATHI BEARDEN

Publisher

of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, do solemnly swear that the clipping attached hereto was published once a week in the regular and entire issue of said paper, and not a supplement thereof for a period.

of 1 weeks.

Beginning with the issue dated

October 2 2002

and ending with the issue dated

October 2 2002

Kathi Bearden

Publisher

Sworn and subscribed to before

me this 2nd day of

October 2002

Jodi Henson

Notary Public.

My Commission expires
October 18, 2004
(Seal)

LEGAL NOTICE
October 2, 2002

Notice is hereby given of the application of Occidental Permian Limited Partnership, Attn: Mark Stephens, P.O. Box 4294, Rm. 338-B, Houston, TX 77210-4294 (281/552-1158), to the Oil Conservation Division, New Mexico Energy, Minerals and Natural Resources Department, for approval of the following injection well for the purpose of tertiary recovery:

Pool Name: Hobbs, Grayburg-San Andres
Lease/Unit Name: North Hobbs G/SA Unit
Well No. 322
Loc: 2480'FNL & 1509' FEL, Unit Letter G, Sec. 31, T-18-S, R-38-E, Lea Co., NM

The injection formation is the Hobbs; Grayburg-San Andres Pool between the intervals of +/- 3680' and +/- 5300' below the surface of the ground. Expected maximum injection rate is 9000 B/D (water)/15,000 MCF/D (CO2), and the expected maximum injection pressure is approximately 1100 psi (water)/1250 psi (CO2). In-

terested parties must file objections or requests for hearing with the Oil Conservation Division, 1220 S. St. Francis Dr., Santa Fe, NM 87504 within fifteen (15) days.
#19256

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937, and payment of fees for said publication has been made.

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Occidental Permian Limited
P. O. Box 4294
Houston, TX 77210-4294