

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR



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SANTA FE, NEW MEXICO 87504
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ADMINISTRATIVE ORDER NO. PMX-168

APPLICATION OF AMOCO PRODUCTION COMPANY TO EXPAND ITS PRESSURE MAINTENANCE PROJECT IN THE HOBBS GRAYBURG SAN ANDRES POOL IN LEA COUNTY, NEW MEXICO

**ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION**

Under the provisions of Division Order No. R-4934, Amoco Production Company has made application to the Division on October 28, 1991, for permission to expand its South Hobbs (GSA) Unit Waterflood Project in the Hobbs Grayburg San Andres Pool in Lea 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 water injection under the terms of Rule 701.
- (5) The proposed expansion of the above-referenced South Hobbs (GSA) Unit Waterflood Project will not cause waste nor impair correlative rights.
- (6) The application should be approved.

IT IS THEREFORE ORDERED THAT:

The applicant, Amoco Production Company, be and the same is hereby authorized to inject water into the Grayburg and San Andres formations at approximately 4100 feet to approximately 4250 feet through 2 3/8 inch plastic lined tubing set in a packer located within 4000 feet in the following described wells shown on Exhibit "A" attached hereto for purposes of pressure maintenance to wit.

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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 tested 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.

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 820 psi. or .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 and 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 Hobbs district office of the Division of the date and time of the installation of injection equipment, of the mechanical integrity test, and of any re-plugging operations 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 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.

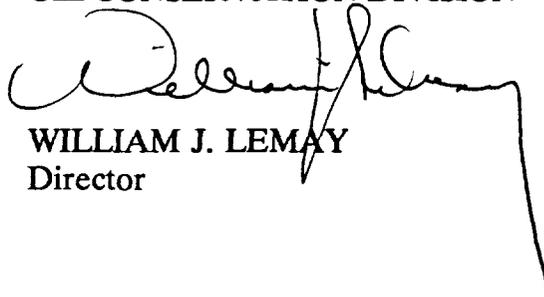
The subject wells shall be governed by all provisions of Division Order No. R-4934 and Rules 702-706 of the Division Rules and Regulations not inconsistent herewith.

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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.

DONE at Santa Fe, New Mexico, on this 9th day of April, 1992.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

A handwritten signature in black ink, appearing to read 'William J. Lemay', is written over the typed name and title. The signature is fluid and cursive, with a long horizontal stroke extending to the right.

WILLIAM J. LEMAY
Director

S E A L

cc: Oil Conservation Division - Hobbs

jc\

EXHIBIT "A"
DIVISION ORDER NO. PMX-168
SOUTH HOBBS GRAYBURG SAN ANDRES UNIT
APPROVED INJECTION WELLS

<i>Well Number</i>	<i>Location</i>	<i>Unit</i>	<i>S-T-R</i>	<i>Injection Perforations</i>	<i>Packer Depth</i>	<i>Tubing Size</i>	<i>Injection Pressure</i>
SHU No. 229	1088' FNL - 1977' FWL	C	4-19S-38E	4100' to 4250'	4000'	2 3/8"	820 PSIG
SHU No. 230	1100' FNL - 2220' FEL	B	4-19S-38E	4100' to 4250'	4000'	2 3/8"	820 PSIG
SHU No. 233	2245' FNL - 2420' FEL	G	4-19S-38E	4100' to 4250'	4000'	2 3/8"	820 PSIG
SHU No. 235	2160' FSL - 2414' FWL	K	4-19S-38E	4100' to 4250'	4000'	2 3/8"	820 PSIG
SHU No. 238	660' FSL - 2610' FEL	O	4-19S-38E	4100' to 4250'	4000'	2 3/8"	820 PSIG

Located in Lea County, New Mexico