



ADMINISTRATIVE ORDER NO. PMX-185

***APPLICATION OF MOUNTAIN STATES PETROLEUM CORPORATION TO EXPAND
ITS PRESSURE MAINTENANCE PROJECT IN THE CHA CHA GALLUP POOL IN
SAN JUAN COUNTY, NEW MEXICO***

ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION

Under the provisions of Division Order No. R-2154, Mountain States Petroleum Corporation has made application to the Division on April 30, 1996 for permission to expand its Northwest Cha Cha Pressure Maintenance Project in the Cha Cha Gallup Pool in San Juan 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 well is eligible for conversion to 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, Mountain States Petroleum Corporation, be and the same is hereby authorized to inject water into the Gallup formation at approximately 5200 feet to approximately 5450 feet through 2 3/8-inch plastic lined tubing set in a packer located approximately 100 feet above the uppermost injection perforations in the following described wells for purposes of pressure maintenance to wit:

Northwest Cha Cha Unit Well No.30
480' FSL & 1980' FEL, Unit 'O', Section 22
Injection Interval 5286 feet to 5293 feet
Maximum Injection Pressure - 1057 psig

Northwest Cha Cha Unit Well No.60
1930' FSL & 971' FEL, Unit 'I', Section 27
Injection Interval 5200 feet to 5450 feet
Maximum Injection Pressure - 1040 psig

Both located in Township 32 North, Range 13 West, NMPM, San Juan County, New Mexico.

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 well, the casing shall be pressure tested 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 .2 psi per foot of depth to the uppermost injection perforation.

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.

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

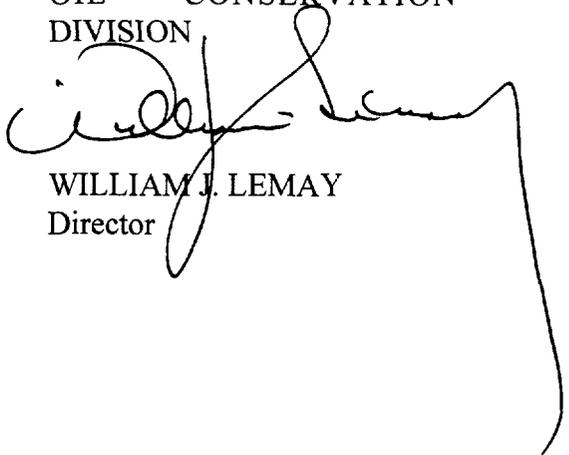
The subject well shall be governed by all provisions of Division Order No. R-2154, as amended and Rules 702-706 of the Division Rules and Regulations not inconsistent herewith.

PROVIDED FURTHER THAT, jurisdiction of this cause is hereby retained by the Division for 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.

The injection authority granted herein shall terminate one year after the effective date of this order if the operator has not commenced injection operations into the subject well, provided however, the Division, upon written request by the operator, may grant an extension thereof for good cause shown.

DONE at Santa Fe, New Mexico, on this 10th day of October, 1996.

STATE OF NEW MEXICO
OIL CONSERVATION
DIVISION



WILLIAM J. LEMAY
Director

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cc: Oil Conservation Division - Aztec
Bureau of Land Management - Farmington