

State of New Mexico
Energy, Minerals and Natural Resources Department

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Oil Conservation Division



Administrative Order PMX-277
October 31, 2017

**ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION**

Under the provisions of Division Order R-5530, as amended, Chevron USA Inc (OGRID No. 4323) has made application to the Division for permission to add an additional injection well to its Central Vacuum Unit Pressure Maintenance Project Area located within the Vacuum; Grayburg-San Andres Pool (Pool code 62180) in Lea County, New Mexico. This well is being proposed as an injection well into the Unitized interval, Grayburg, and San Andres formations of the Central Vacuum Unit. This well, the Central Vacuum Well No. 373 is both being proposed for injection of water, CO₂, or produced gas within this project.

THE DIVISION DIRECTOR FINDS THAT:

The application has been duly filed under the provisions of 19.15.26.8B NMAC and may be approved administratively by the Division Director without notice and hearing, per Ordering Paragraph (1) of Division Order No. R-5530-E dated December 19, 1996. The proposed well is eligible for conversion to injection under the terms of that rule and Ordering paragraph (1). The applicant has presented satisfactory evidence that all requirements prescribed in 19.15.26.8 NMAC have been met and the operator is in compliance with 19.15.5.9 NMAC.

The proposed expansion of the above-referenced pressure maintenance project, will prevent waste, is in the best interests of conservation, will not impair correlative rights, and should be approved.

IT IS THEREFORE ORDERED THAT:

Chevron USA Inc, as operator, is hereby authorized to inject water, CO₂, and produced gas into the following wells for the purpose of secondary recovery through plastic-lined tubing set into a packer:

API No.	Well	Unit	Sec	Twp	Rng	Footage N/S	Footage E/W
30-025-31840	Central Vacuum Unit No. 373	I	36	17 S	34 E	2576 FSL	149 FEL

The approved injection interval for this well (Subject well) is into the Grayburg and San Andres formations from an approximate perforated true vertical depth of 4362 feet to a maximum perforated true vertical depth of 4718 feet. The approved maximum surface tubing injection

pressure shall be **1500 psig for water injection, 2200 psig for gas injection and CO2**, as approved in Ordering Paragraph (4) of Order No. R-5530-F dated April 30, 1997.

The operator shall set the injection packer as close as practical to the uppermost injection perforation or casing shoe (of any open hole completion), so long as the packer set point remains within the Unitized formation, as approved in Ordering Paragraph (1) of Division Order No. R-5530-F dated January 12, 2010. Further, the Applicant shall secure approval of the Hobbs District Office if packer is set more than 100 feet above the uppermost perforation, as approved in Ordering Paragraph (1) of Division Order No. R-5530-F dated January 12, 2010.

IT IS FURTHER ORDERED THAT:

The operator shall take all steps necessary to ensure that the injected fluid enters only the approved injection interval and is not permitted to escape to other formations or onto the surface.

After installing tubing, the casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge or an approved leak detection device in order to determine leakage in the casing, tubing, or packer. The casing shall be pressure tested from the surface to the packer setting depth to assure casing integrity.

The well shall pass an initial mechanical integrity test ("MIT") prior to initially commencing injection and prior to resuming injection each time the injection packer is unseated. The Division Director retains the right to require at any time wireline verification of completion and packer setting depths in this well.

The wellhead injection pressure on these wells shall be limited as listed above. In addition, the injection wells or header systems shall be equipped with a pressure limiting device in workable condition which shall, at all times, limit surface tubing pressures to the maximum allowable pressures for this well.

Subject to the limitations within the hearing order permitting this project, the Director of the Division may authorize an increase in tubing pressure upon a proper showing by the operator of said wells that such higher pressure will not result in migration of the injected fluids from the approved injection interval. Such proper showing shall be demonstrated by sufficient evidence including but not limited to an acceptable Step-Rate Test.

The operator shall notify the supervisor of the Division's District I office of the date and time of the installation of injection equipment and of any MIT test so that the same may be inspected and witnessed. The operator shall provide written notice of the date of commencement of injection to the District I office. The operator shall submit monthly reports of the disposal operations on Division Form C-115, in accordance with Rules 19.15.26.13 and 19.15.7.24 NMAC.

Without limitation on the duties of the operator as provided in Rules 19.15.29 and 19.15.30 NMAC, or otherwise, the operator shall immediately notify the District I office of any failure of the tubing, casing or packer in the approved injection well, or of any leakage or release of water, oil or gas from around any produced or plugged and abandoned well in the area, and shall take such measures as may be timely and necessary to correct such failure or leakage.

The injection authority granted under this order is not transferable except upon division approval. The division may require the operator to demonstrate mechanical integrity of any injection well that will be transferred prior to approving transfer of authority to inject.

Compliance with this order does not relieve the operator of the obligation to comply with other applicable federal, state or local laws or rules, or to exercise due care for the protection of fresh water, public health and safety and the environment.

PROVIDED FURTHER THAT, jurisdiction is retained by the Division for the entry of such further orders as may be necessary for the prevention of waste and/or protection of correlative rights or upon failure of the operator to conduct operations (1) to protect fresh or protectable waters or (2) consistent with the requirements in this order, whereupon the Division may, after notice and hearing, terminate the disposal authority granted herein. The subject wells shall be governed by all provisions of Division Order No. R-5530 and associated administrative orders.



DAVID R. CATANACH
Director

DRC/mam

cc: New Mexico Oil Conservation Division – Hobbs
New Mexico State Land Office – Oil, Gas, and Minerals
Well File – 30-025-31840
Case File 11650