

CASE NO. 11403
Order No. R-10525
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(29) The proposed pressure maintenance project should be approved and the project should be governed by the provisions of Rule Nos. 701 through 708 of the Oil Conservation Division Rules and Regulations.

(30) The oil allowable for the subject pilot pressure maintenance project should be established at 561 barrels of oil per day.

(31) The injection authority granted herein for the Neff Federal Well No. 3 should 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.

IT IS THEREFORE ORDERED THAT:

(1) The applicant, Pogo Producing Company, is hereby authorized to institute a pilot pressure maintenance project on a portion of its Neff Federal Lease which comprises all of Section 25, Township 22 South, Range 31 East, NMPM, Eddy County, New Mexico, by the injection of water into the Brushy Canyon member of the Delaware formation, Livingston Ridge-Delaware Pool, through the perforated interval from approximately 7,050 feet to 7,068 feet in its Neff Federal Well No. 3 located 430 feet from the North line and 760 feet from the West line (Unit D) of said Section 25.

(2) The pilot project area shall initially comprise the N/2 NW/4 and the SW/4 NW/4 of Section 25.

(3) Any proposed expansions of the subject pilot pressure maintenance project by the addition of injection wells and/or additional lands shall be considered by the Division only after notice and hearing.

(4) The applicant 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 from injection, production, or plugged and abandoned wells.

(5) Injection into the Neff Federal Well No. 3 shall be accomplished through 2 7/8-inch plastic-lined tubing installed in a packer set at approximately 7,000 feet; the casing-tubing annulus shall be filled with an inert fluid and equipped with an approved pressure gauge or attention-attracting leak detection device.