



TONEY ANAYA  
GOVERNOR

STATE OF NEW MEXICO  
**ENERGY AND MINERALS DEPARTMENT**  
OIL CONSERVATION DIVISION

*Horseshoe Gall Unit  
32-31N-16W  
#3*

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87501  
(505) 827-5800

APPLICATION OF ARCO OIL AND GAS COMPANY TO  
EXPAND ITS PRESSURE MAINTENANCE PROJECT IN THE  
HORSESHOE-GALLUP POOL IN SAN JUAN COUNTY, NEW MEXICO.

ORDER No. PMX-124

ADMINISTRATIVE ORDER  
OF THE OIL CONSERVATION DIVISION

Under the provisions of Order No. R-1699, Arco Oil and Gas Company has made application to the Division on August 31, 1983, for permission to expand its Horseshoe Gallup Pressure Maintenance Project in the Horseshoe Gallup Pool in San Juan County, New Mexico.

NOW, on this 15th day of September, 1983, the Division Director finds:

1. That application has been filed in due form.
2. That satisfactory information has been provided that all offset operators have been duly notified of the application.
3. That no objection has been received within the waiting period as prescribed by Rule 701B.
4. That the proposed injection well is eligible for conversion to water injection under the terms of Rule 701.
5. That the proposed expansion of the above referenced Pressure Maintenance project will not cause waste nor impair correlative rights.
6. That the application should be approved.

IT IS THEREFORE ORDERED:

That the applicant, Arco Oil and Gas Company, be and the same is hereby authorized to inject water into the Horseshoe-Gallup formation through plastic-lined tubing set in a packer at approximately 1065 feet in the following described well for purposes of pressure maintenance to wit:

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Horseshoe Gallup Unit A Well No. 3,  
1980' FNL and 1980' FWL of Sec. 32, T-31-N, R-16-W,  
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.

That 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.

That 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 223 psi.

That 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 Horseshoe Gallup formation. That such proper showing shall consist of a valid step-rate test run in accordance with and acceptable to this office.

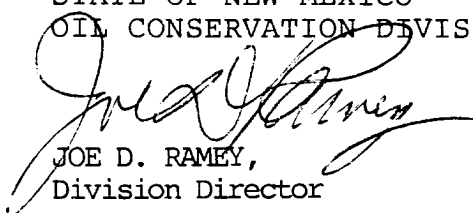
That the operator shall notify the supervisor of the Division's Aztec District Office before injection is commenced through said well.

That the operator shall immediately notify the Supervisor of the Division's Aztec District Office of the failure of the tubing, casing, or packer in said well or the leakage of water from or around said well and shall take such steps as may be timely or necessary to correct such failure or leakage.

That the subject well shall be governed by all provisions of Division Order No. R-1699 and Rules 702, 703, 704, 705, and 706 not inconsistent herewith.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

  
JOE D. RAMEY,  
Division Director

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