



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

1500 P. 002/004
OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

ADMINISTRATIVE ORDER NO. WFX-738

APPLICATION OF PIONEER NATURAL RESOURCES U.S.A., INC. TO EXPAND ITS WATERFLOOD PROJECT IN THE WEST LUSK-DELAWARE POOL IN LEA COUNTY, NEW MEXICO.

ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION

Under the provisions of Division Order No. R-10863, issued in Case 11704 and dated August 28, 1997, Pioneer Natural Resources U.S.A., Inc. has made application to the Division on December 9, 1997 and January 15 and 26, 1998, for authorization to expand its Lusk West (Delaware) Unit Waterflood Project in the designated and Undesignated West Lusk-Delaware 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 injection under the terms of Rule 701.
- (5) The proposed expansion of the above referenced Lusk West (Delaware) Unit Waterflood Project will not cause waste nor impair correlative rights.
- (6) The application should be approved.

IT IS THEREFORE ORDERED THAT:

The applicant, Pioneer Natural Resources U.S.A., Inc., be and the same is hereby authorized to inject water into the unitized interval (see Division Order No. R-10863, issued in Case 11704 and dated August 28, 1997) that is within the designated and Undesignated West Lusk-Delaware Pool from approximately 6400 feet to 6450 feet through 2-7/8 or 2-3/8 inch plastic lined tubing set in a packer located approximately 100 feet above the uppermost injection perforations in the four following described wells for purposes of secondary recovery to wit:

*Lusk West Delaware Unit Well No. 903
(API No. 30-025-34172)
990' FNL & 1880' FWL (Unit C) of Section 29
Injection Interval: 6438' to 6444'
Max. Surface Injection Pressure: 1288 psig.*

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*Lusk West Delaware Unit Well No. 011
(API No. 30-025-34173)
1980' FS & WL (Unit K) of Section 20
Proposed Injection Interval: 6445' to 6457'
Max. Surface Injection Pressure: 1289 psig.*

*Lusk West Delaware Unit Well No. 909
(API No. 30-025-34283)
1980' FSL & 940' FEL (Unit I) of Section 29
Proposed Injection Interval: 6452' to 6464'
Max. Surface Injection Pressure: 1290 psig.*

*Lusk West Delaware Unit Well No. 915-Y
(API No. 30-025-34269)
450' FSL & 2050' FEL (Unit O) of Section 29
Injection Interval: 6434' to 6456'
Max. Surface Injection Pressure: 1287 psig.*

All in Township 19 South, Range 32 East, NMPM, West Lusk Delaware Unit Area, Lea County, New Mexico.

IT IS FURTHER ORDERED THAT:

The operator shall take all steps necessary to ensure that the injected water enters only the West Lusk Delaware unitized 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 shall be pressure tested from the surface to the packer setting depth to assure the integrity of the 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 wells or system shall be equipped with a pressure limiting device which will limit the wellhead pressure on each injection well to no more than 0.2 psi per foot of depth to the uppermost injection perforation.

The Director of the Division may authorize an increase in injection pressures upon a proper showing by the operator of the wells that such higher pressures will not result in migration of the injected fluid from the West Lusk Delaware unitized interval (see Division Order No. R-10863, issued in Case 11704 and dated August 28, 1997) that is within the designated and Undesignated West Lusk-Delaware Pool from approximately 6400 feet to 6450 feet.

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 the wells and shall take such steps as may be timely and necessary to correct such failure or leakage.

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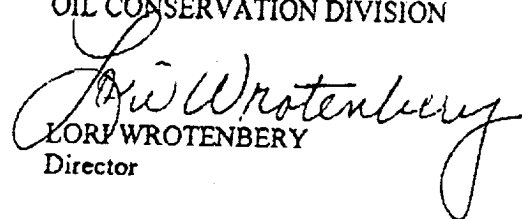
The subject wells shall be governed by all provisions of Division Order No. R-10863 and Rules 702-706 of the Division Rules and Regulations not inconsistent herewith.

PROVIDED FURTHER THAT, jurisdiction is hereby 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 water or (2) consistent with the requirements in this order, whereupon 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 wells, 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 12th day of June, 1998.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


LORI WROTENBERY
Director

SEAL

cc: New Mexico Oil Conservation Division - Hobbs
U. S. Bureau of Land Management - Carlsbad
File: Case 11704