

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 7662
Order No. R-7082

APPLICATION OF CARTER FOUNDATION
PRODUCTION COMPANY FOR A WATERFLOOD
PROJECT, LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on September 1, 1982, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 30th day of September, 1982, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Carter Foundation Company, seeks authority to expand its Blaine-Cade Waterflood Project in the Langlie Mattix Pool, by the injection of water into the Queen formation through its Mattix Federal Wells Nos. 2, 5, 6 located in Units C, E, and O, respectively, in Section 3, Township 24 South, Range 37 East, NMPM, Lea County, New Mexico.
- (3) That the proposed injection is not an expansion of said Blaine-Cade project but is in fact a new project.
- (4) That the wells in the project area are in an advanced state of depletion and should properly be classified as "stripper" wells.
- (5) That the proposed waterflood project should result in the recovery of otherwise unrecoverable oil, thereby preventing waste.

-2-

Case No. 7662
Order No. R-7082

(6) That the operator should 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.

(7) That the injection wells or injection pressurization system should be so equipped as to limit injection pressure at the wellhead to no more than 900 psi, but the Division Director should have authority to increase said pressure limitation, should circumstances warrant.

(7) That the subject application should be approved and the project should be governed by the provisions of Rules 702 through 708 of the Division Rules and Regulations.

IT IS THEREFORE ORDERED:

(1) That the applicant, Carter Foundation Production Company, is hereby authorized to institute a waterflood project on its Mattix Federal Lease, Langlie Mattix Pool, by the injection of water into the Queen formation through its Mattix Federal Wells Nos. 2, 5, and 6, located in Units C, E, and O, respectively, in Section 3, Township 24 South, Range 37 East, NMPM, Lea County, New Mexico.

(2) That injection into each of said wells shall be through internally coated tubing, set in a packer which shall be located as near as practicable to the uppermost perforation or in the case of an open hole completion, the casing shoe; that the casing-tubing annulus of each injection well shall be loaded with an inert fluid and equipped with an approved pressure gauge or attention-attracting leak detection device.

(3) That the operator shall immediately notify the supervisor of the Division's Hobbs district office of the failure of the tubing or packer in any of said injection wells, the leakage of water or oil from around any producing well, or the leakage of water or oil from any plugged and abandoned well within the project area and shall take such timely steps as may be necessary or required to correct such failure or leakage.

(4) That the injection wells herein authorized and/or the injection pressurization system shall be so equipped as to limit injection pressure at the wellhead to no more than 900 psi, provided however, the Division Director may authorize a higher surface injection pressure upon satisfactory showing that such pressure will not result in fracturing of the confining strata.

-3-

Case No. 7662
Order No. R-7082

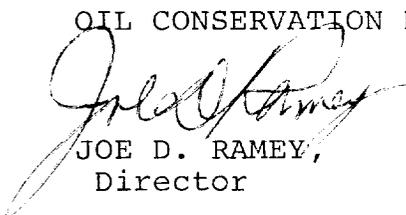
(5) That the subject waterflood project is hereby designated the Carter-Mattix Waterflood Project and shall be governed by the provisions of Rules 701 through 708 of the Division Rules and Regulations.

(6) That monthly progress reports of the waterflood project herein authorized shall be submitted to the Division in accordance with Rules 706 and 1115 of the Division Rules and Regulations.

(7) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY,
Director

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