

Entered July 1, 1983
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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. 7906
Order No. R-7313

APPLICATION OF SUN EXPLORATION AND
PRODUCTION CO. 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 June 23, 1983, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 1st day of July, 1983, 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, Sun Exploration and Production Co., seeks authority to institute a waterflood project in the Northeast Lusk Yates Field, by the injection of water into the Yates formation through its Jennings "B" Federal Well No. 2 located in Unit N of Section 15, Township 19 South, Range 32 East, NMPM, Lea County, New Mexico.

(3) That at the hearing the applicant sought and received permission to amend the application from seeking approval for a waterflood to seeking approval for salt water disposal.

(4) That the applicant proposes to utilize said Jennings "B" Well No. 2 to dispose of produced salt water into the Yates formation, with injection into the perforated interval from approximately 3012 feet to 3018 feet.

(5) That the injection should be accomplished through 2 3/8-inch plastic or cement lined tubing installed in a packer set at approximately 2950 feet; that the casing-tubing annulus

should be filled with an inert fluid; and that a pressure gauge or approved leak detection device should be attached to the annulus in order to determine leakage in the casing, tubing, or packer.

(6) That the injection well or system should be equipped with a pop-off valve or acceptable substitute which will limit the wellhead pressure on the injection well to no more than 602 psi.

(7) That the Director of the Division should be authorized to administratively approve an increase in the injection pressure upon a proper showing by the operator that such higher pressure will not result in migration of the injected waters from the Yates formation.

(8) That the operator should notify the supervisor of the Hobbs district office of the Division of the date and time of the installation of disposal equipment so that the same may be inspected.

(9) 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.

(10) That the applicant's Shearn Federal Com Well No. 1 located in Unit L of said Section 15 is not cemented across the injection interval.

(11) That to assure that the wellbore in said well cannot serve as an avenue for migration of injected waters from the Yates formation, said Shearn Federal Com Well No. 1 should be properly cemented across the Yates formation or properly plugged and abandoned before August 1, 1984.

(12) That approval of the subject application will prevent the drilling of unnecessary wells and otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Sun Exploration and Production Co., is hereby authorized to utilize its Jennings "B" Federal Well No. 2, located in Unit N of Section 15, Township 19 South, Range 32 East, NMPM, Northeast Lusk Field, Lea County, New Mexico, to dispose of produced salt water into the Yates formation, injection to be accomplished through 2 3/8 -inch tubing installed in a packer set at approximately 2950 feet,

with injection into the perforated interval from approximately 3012 feet to 3018 feet;

PROVIDED HOWEVER, that the tubing shall be plastic or cement-lined; that the casing-tubing annulus shall be filled with an inert fluid; and that a pressure gauge shall be attached to the annulus or the annulus shall be equipped with an approved leak detection device in order to determine leakage in the casing, tubing, or packer.

(2) That the injection well or system shall be equipped with a pop-off valve or acceptable substitute which will limit the wellhead pressure on the injection well to no more than 602 psi.

(3) 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 Yates formation.

(4) That the operator shall notify the supervisor of the Hobbs district office of the Division of the date and time of the installation of disposal equipment so that the same may be inspected.

(5) That the operator shall immediately notify the supervisor of the Division's Hobbs district office of the failure of 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 and necessary to correct such failure or leakage.

(6) That the applicant shall submit monthly reports of its disposal operations in accordance with Rules 704 and 1120 of the Division Rules and Regulations.

(7) That before August 1, 1984, the applicant shall cement or plug and abandon its Shearn Federal Com Well No. 1 located in Unit L of said Section 15 in such a manner as to assure that injected fluids cannot migrate from the Yates formation within the wellbore of said well.

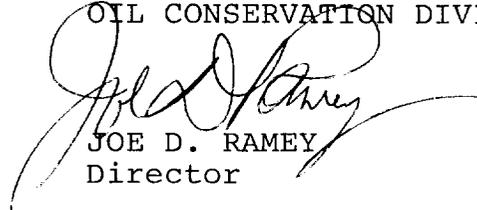
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(8) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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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