



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop
Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

ADMINISTRATIVE ORDER NO. WFX-786

***APPLICATION OF CHEVRONTEXACO TO EXPAND ITS EUNICE MONUMENT SOUTH
UNIT WATERFLOOD PROJECT IN THE EUNICE MONUMENT-GRAYBURG SAN
ANDRES OIL POOL IN LEA COUNTY, NEW MEXICO***

**ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION**

Under the provisions of Division Order No. R-7766, ChevronTexaco has made application to the Division on January 17, 2003 for permission to expand its Eunice Monument South Unit Waterflood Project in the Eunice Monument Oil 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 Waterflood Project will not cause waste nor impair correlative rights.
- (6) The application should be approved.

IT IS THEREFORE ORDERED THAT:

The applicant, ChevronTexaco is hereby authorized to inject water into the Grayburg unitized interval through plastic lined tubing set in a packer located within 100 feet of the uppermost injection intervals in the following described wells for purposes of secondary recovery to wit:

Well Name	API Number	Unit, Section	Tsp, Rge (Lea County)	Injection Interval	Packer Depth	Maximum Injection Pressure
EMSU No. 222	30-025-04531	Unit O, Section 6	T21S, R36E	3,754' – 4,010'	3,700'	(0.2 psi/ft) 751
EMSU No. 252	30-025-04528	Unit W, Section 6	T21S, R36E	3,758' – 3,977'	3,708'	(0.2 psi/ft) 752
EMSU No. 196	30-025-04514	Unit E, Section 5	T21S, R36E	3,685' – 3,950'	3,650'	(0.2 psi/ft) 737
EMSU No. 575	30-025-34824	Unit N, Section 31	T20S, R37E	3,744' – 3,874'	3,650'	(0.2 psi/ft) 749

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.

Prior to commencing injection operations into each well, the casing shall be pressure tested from the surface to the packer setting depth to assure the integrity of said 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 systems shall be equipped with a pressure limiting device which will limit the wellhead pressure on the injection wells to the pressures as specified above.

The Director of the Division may authorize an increase in injection pressure upon a proper showing by the operator of said wells that such higher pressure will not result in migration of the injected fluid from the unitized interval. Such proper showing shall consist of a valid step-rate test run in accordance with and acceptable to this office.

The operator shall notify the supervisor of the Hobbs district office of the Division of the date and time of the installation of injection equipment and of the mechanical integrity tests so that the same may be inspected and witnessed.

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

The subject wells shall be governed by all provisions of Division Order No. R-7766 and Rules 702-706 of the Division Rules and Regulations not inconsistent herewith.

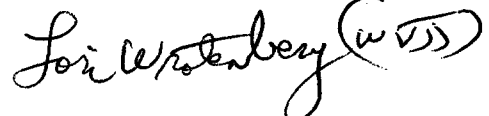
PROVIDED FURTHER THAT, jurisdiction is retained by the Division for the entry of such further orders as may be necessary for the prevention of waste and/or protection of correlative rights or upon failure of the operator to conduct operations (1) to protect fresh water or (2) consistent with the requirements 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 3rd day of February 2003.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

A handwritten signature in black ink, appearing to read "Lori Wrotenbery", followed by a circled set of initials "LW".

LORI WROTENBERY
Director

S E A L

LW/wvjj

cc: Oil Conservation Division – Hobbs
State Land Office – Oil and Gas Division
Case File No.8398 (R-7766)