

17-May-2001 08:15

From-MEWBOURNE OIL

110032126

19035611870

1P1-51 N/K

T-027 P.001/004 F-887

Mewbourne Oil Company - P. O. Box 7698 - Tyler, Texas 75711

Telephone: (903) 561-2900 Fax: (903) 561-1870

Fax Transmission Page

Page 1 of

To: DAVID CATANACH Fax No. 505/476-3471
From: SUE HEARON Date: 5-17-01
Re: QPBSSU 8-1

Comments:

DAVID, KEN IS OUT OF THE OFFICE SO I AM
FAXING THE INFORMATION YOU REQUESTED. IF YOU
NEED ANYTHING ELSE PLEASE LET ME KNOW.

THANK YOU - SUE



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

ADMINISTRATIVE ORDER NO. WFX-771

APPLICATION OF MEWBOURNE OIL COMPANY TO EXPAND ITS WATERFLOOD PROJECT IN THE QUERECHO PLAINS-UPPER BONE SPRING POOL IN LEA COUNTY, NEW MEXICO

ADMINISTRATIVE ORDER OF THE OIL CONSERVATION DIVISION

Under the provisions of Division Order No. R-9737-A, Mewbourne Oil Company has made application to the Division on January 31, 2001, for permission to expand its Querecho Plains Bone Spring Sand Unit Waterflood Project in the Querecho Plains-Upper Bone Spring 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 well is eligible for conversion to injection under the terms of Rule 701
- (5) The proposed expansion of the above referenced Querecho Plains Bone Spring Sand Unit Waterflood Project will not cause waste nor impair correlative rights.
- (6) The application should be approved.

Oil Conservation Division * 1220 South St. Francis Drive * Santa Fe, New Mexico 87505

Phone: (505) 476-3440 * Fax (505) 476-3462 * <http://www.ernrd.state.nm.us>

*FAX: MICKEY**HOBBS*

*Administrative Order WFX-771
Mewbourne Oil Company
March 12, 2001
Page 2*

IT IS THEREFORE ORDERED THAT:

The applicant, Mewbourne Oil Company, is hereby authorized to inject water into the Upper-Bone Spring formation at approximately 8,506 feet to approximately 8,528 feet through 2 3/8-inch plastic lined tubing set in a packer located at approximately 8,451 feet in the following-described well for purposes of secondary recovery to wit:

Querecho Plains Bone Spring Sand Unit Well No. 8-1
API No. 30-025-25894
1980' FSL & 1980' FWL, Unit K,
Section 27, Township 18 South, Range 32 East, NMPM
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 proposed injection interval and is not permitted to escape to other formations or onto the surface.

Prior to commencing injection operations into the 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 well or system shall be equipped with a pressure limiting device which will limit the wellhead pressure on the injection well to 1701 psi.

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 Upper-Bone Spring formation. 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 test so that the same may be inspected and witnessed.

Administrative Order WFX-771
Mewbourne Oil Company
March 12, 2001
Page 3

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

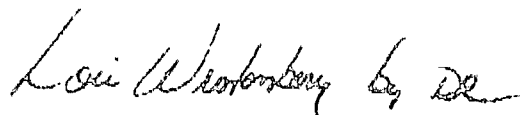
The subject well shall be governed by all provisions of Division Order No. R-9737-A and Rules 702-706 of the Division Rules and Regulations not inconsistent herewith.

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 well, 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 March, 2001.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


LORI WROTENBERY
Director

SEAL

LW/DRC

cc: Oil Conservation Division - Hobbs
Bureau of Land Management - Carlsbad
Case File No. 10762

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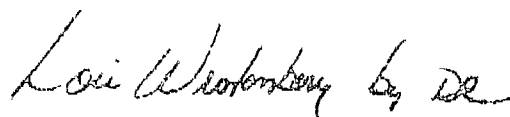
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DONE at Santa Fe, New Mexico, on this 12th day of March, 2001.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


LORI WROTENBERY
Director

SEAL

LW/DRC

cc: Oil Conservation Division - Hobbs
Bureau of Land Management - Carlsbad
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NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

May 9, 2001

Mewbourne Oil Company
P.O. Box 7698
Tyler, Texas 75711

Attention: Mr. K. M. Calvert

Re: Injection Pressure Increase
QPBSSU No. 8-1

Dear Mr. Calvert:

I am currently reviewing your request dated April 4, 2001, to increase the surface injection pressure on the above-referenced well. Please be advised that this process has been extremely difficult and time consuming for the following reasons:

- a) this project was not approved by Division Order No. R-10151, as stated in your letter;
- b) your request does not provide the order number that approved the project/well for injection;
- c) your request does not provide a well location for the QPBSSU No. 8-1;
- d) your request does not provide an API Number for the QPBSSU No. 8-1;
- e) our computer records do not show tract numbers, just well numbers, therefore several injection wells show up as QPBSSU Well No. 1;
- f) after reviewing several QPBSSU Well No. 1 well files, I have yet to find one numbered 8-1.

Please provide the necessary information to process this request, at which time your application will be re-considered.

If you wish, you may fax this information to me at (505) 476-3471.

Sincerely,

David Catanach
Engineer

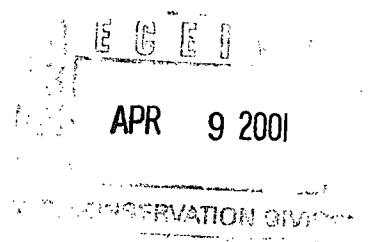
110032126

1 P 1

N/R

MEWBOURNE OIL COMPANY

P. O. BOX 7698
TYLER, TEXAS 75711
(903) 561-2900
FAX (903) 561-1870



April 4, 2001

New Mexico Oil Conservation Commission
1220 S. St. Francis Drive
Santa Fe, New Mexico 87504

Att: Mr. David Catanach

Re: *Application for Increased Surface Pressure*
Querecho Plains Bone Spring Waterflood Project
Lea County, New Mexico

Dear Mr. Catanach:

Mewbourne Oil Company requests administrative approval to increase surface injection pressure for the QPBSSU 8-1 at the referenced project to 2050 psig. (See attached step-rate graph). Administrative approval is requested as interpreted in Division Order No. R-10151 and Division Rule 704.C. The attached step-rate test demonstrates that the subject well can inject at the requested surface pressures without propagating the existing fracture stimulation out of the Bone Spring formation.

Yours truly,

K. M. Calvert
Engineering Manager

KMC/sh

Attachment: Step-Rate Graph QPBSSU 8-1

QPBSSU 8-1
Step Rate Test

