



New Mexico Energy, Minerals and Natural Resources Department

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Administrative Order PMX-261
April 11, 2011

APPLICATION OF OCCIDENTAL PERMIAN LIMITED PARTNERSHIP TO EXPAND ITS ENHANCED OIL TERTIARY RECOVERY PROJECT IN THE HOBBS GRAYBURG-SAN ANDRES POOL IN LEA COUNTY, NEW MEXICO.

ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION

Under the provisions of Division Order R-6199, Occidental Permian, L.P. (OGRID No. 157984) has made application to the Division on March 24, 2011 for permission to expand its North Hobbs Grayburg San Andres Unit Enhanced Oil Tertiary Recovery Project in the Hobbs Grayburg-San Andres Pool(31920) in Lea County, New Mexico.

THE DIVISION DIRECTOR FINDS THAT:

The application was filed in due form. No objections have been filed within the waiting period prescribed by Division Rule 19.15.26.8(C) NMAC. The proposed well is eligible for conversion to injection under the terms of Rule 19.15.26.8 NMAC. The current operator is in compliance with Rule 19.15.5.9 NMAC.

The proposed expansion of the above-referenced enhanced oil tertiary recovery project will not cause waste nor impair correlative rights.

IT IS THEREFORE ORDERED THAT:

The operator of the North Hobbs Grayburg San Andres Unit Oil Tertiary Recovery Project is hereby authorized to inject into the Grayburg-San Andres formation, Hobbs Grayburg-San Andres Pool, though the perforated and/or open hole interval from approximately 4,000 feet to 4,350 feet using 2-7/8-inch fiberglass lined tubing set in a packer located at a depth of approximately 3,900 feet in the following-described well for the purpose of tertiary recovery to wit:



North Hobbs Grayburg San Andres Unit Well No. 111 (API 30-025-05491)
660' FNL & 660' FWL (Unit D) Section 25, Township 18S, Range 37E
Injection Interval: Perforated and/or Open Hole: 4,000 feet to 4,350 feet

The well shall be equipped with plastic-lined tubing set in a packer located within 100 feet of the top of the injection interval.

IT IS FURTHER ORDERED THAT:

The operator shall take all steps necessary to ensure that the injected water enters only the permitted injection interval and is not permitted to escape to other formations or onto the surface.

Prior to commencing injection operations into the well, injection casing shall be pressure tested from the surface to the packer setting depth to assure casing integrity.

The casing-tubing annulus shall openly extend to within 100 feet of the top of the injection interval and 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 injection system shall be equipped with pressure limiting devices which will limit the wellhead pressure to the maximum surface injection pressures of:

Produced Water	1100 PSI
CO2	1250 PSI
CO2 [with NHGSA Unit (only) produced gas]	1770 PSI
(will not exceed 2,400 PSI bottomhole pressure)	

The Director of the Division may authorize an increase in injection pressure upon a proper showing by the operator that such higher pressure will not result in waste of oil and gas or migration of the injected fluid from the permitted injection interval. Such proper showing shall be accompanied by valid step-rate test(s) run in accordance with and acceptable to this office.

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

The operator shall immediately notify the supervisor of the Division's district office of any failure of tubing, casing, or packer 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-6199, as amended, and Rules 26.9-26.13 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 mailed prior to the one year deadline, may grant an extension thereof for good cause shown.


Jami Bailey
Division Director

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cc: Oil Conservation Division – Hobbs
File (API No. 30-025-05491)