

ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION



GARREY CARRUTHERS
GOVERNOR

January 8, 1987

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APPLICATION OF TEXACO USA TO EXPAND ITS WATERFLOOD PROJECT
IN THE GRAYBURG JACKSON POOL IN EDDY COUNTY, NEW MEXICO.

ORDER NO. WFX-564

ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION

Under the provisions of Order No. R-2900, Texaco USA has made application to the Division on November 20, 1986, for permission to expand its Skelly Unit Waterflood Project in the Grayburg Jackson Pool in Eddy County, New Mexico.

NOW, on this 6th day of January, 1987, the Division Director finds:

1. That application has been filed in due form.
2. That satisfactory information has been provided that all offset operators have been duly notified of the application.
3. That no objection has been received within the waiting period as prescribed by Rule 701B.
4. That the proposed injection well is eligible for conversion to water injection under the terms of Rule 701.
5. That the proposed expansion of the above referenced Waterflood project will not cause waste nor impair correlative rights.
6. That the application should be approved.

IT IS THEREFORE ORDERED:

That the applicant, Texaco USA, be and the same is hereby authorized to inject water into the Grayburg and San Andres formations in the perforated and open-hole interval from 3041 feet to 3808 feet, through plastic-lined tubing set in a packer at approximately 3,000 feet in the following described well for purposes of secondary recovery to wit:

Skelly Unit No. 53
1980' FSL and 1980' FWL,
Section 22, T-17-S, R-31-E, Eddy 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.

That 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.

That prior to commencing injection operations in the well, the casing shall be pressure tested from the surface to the packer setting depth to assure the integrity of the casing.

That the injection well or system shall be equipped with a pressure limiting device which will limit the wellhead pressure on the injection well to no more than 608 psi.

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 Grayburg-San Andres formation. That such proper showing shall consist of a valid step-rate test run in accordance with and acceptable to this office.

That the operator shall notify the supervisor of the Division's Artesia District Office before injection is commenced through said well.

That the operator shall immediately notify the Supervisor of the Division's Artesia District Office of the failure of the 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 or necessary to correct such failure or leakage.

That the subject well shall be governed by all provisions of Division Order No. R-2900 and Rules 702, 703, 704, 705, and 706 not inconsistent herewith.

That the Division Director may rescind or suspend this injection authority if it becomes apparent that the injected water is not being confined to the injection zone or it is endangering any fresh water aquifers.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

A handwritten signature in dark ink, appearing to read "Charles E. Roybal", written in a cursive style.

CHARLES E. ROYBAL,
Acting Director

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