THE APPLICATION OF PHILLIPS PETROLEUM COMPANY TO EXPAND ITS PRESSURE MAINTENANCE PROJECT IN THE VACUUM GRAYBURG-SAN ANDRES POOL IN LEA COUNTY, NEW MEXICO.

ORDER PMX NO. 77

ADMINISTRATIVE ORDER OF THE OIL CONSERVATION DIVISION

Under the provisions of Order No. R-5897, Phillips Petroleum Company made application to the Division on December 18, 1979, for permission to expand its East Vacuum Unit Pressure Maintenance Project in the Vacuum Grayburg-San Andres Pool in Lea County, New Mexico.

NOW, on this 3rd day of January, 1980, 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 the proposed injection well is eligible for conversion to water injection under the terms of Order No. R-5897.

4. That the proposed expansion of the above referenced Pressure Maintenance Project will not cause waste nor impair correlative rights.

5. That the application should be approved.

IT IS THEREFORE ORDERED:

That the applicant, Phillips Petroleum Company, be and the same is hereby authorized to inject water into the San Andres formations through plastic-lined tubing set in a packer at approximately 4377 feet in the following described well for purposes of pressure maintenance, to wit:

> East Vacuum Unit Well No. 006 in Unit J of Section 33, Township 17 South, Range 35 East, NMPM, Lea County, New Mexico; and through plastic lined tubing set in a packer at 4342 feet for purposes of pressure maintenance, to wit:

East Vacuum Unit Well No. 007 in Unit E of Section 27, Township 17 South, Range 35 East, NMPM, Lea County, New Mexico; and through plastic lined tubing set in a packer at 4466 feet for purposes of pressure maintenance to wit:

East Vacuum Unit Well No. 008 in Unit O of Section 29, Township 17 South, Range 35 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.

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 the injection well or system shall be equipped with a pop-off valve or device which will limit the wellhead pressure to a maximum of 875 pounds per square inch; provided however that the Division Director may administratively authorize a pressure limitation in excess of the above upon the operator's establishing that such higher pressure will not result in fracturing of confining strata.

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

That the operator shall immediately notify the Supervisor of the Divisions Hobbs 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.

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

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

JOE D. RAMÉY Director

SEAL