Nat 7, 1980

Phillips Petroleum Company 4001 Penbrook Odessa, Texas 79762

Re: Administrative Order PMX No. 84

Gentlemen:

Enclosed herewith please find corrected Order PMX No. 84 for seven wells.

Very truly yours,

JOE D. RAMEY Division Director

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JDR/MH/og

cc: Oil Conservation Division Box 1980 Hobbs, New Mexico 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. 84

ADMINISTRATIVE ORDER OF THE OIL CONSERVATION DIVISION

Under the provisions of Order No. R-5897, Phillips Petroleum Company has made application to the Divison on May 5, 1980, for permission to expand its East Vacuum Grayburg San Andres Unit Pressure Maintenance Project in the Vacuum Grayburg San Andres Pool in Lea County, New Mexico.

NOW, on this 7th day of May, 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 no objection has been received within the waiting period as prescribed by Order No. R-5897.

4. That the proposed injection well is eligible for conversion to water injection under the terms of Order No. R-5897.

5. That the proposed expansion of the above referenced pressure maintenance will not cause waste nor impair correlative rights.

6. 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 formation through plastic-lined tubing set in a packer at approximately 4380 feet in the following described well for purposes of pressure maintenance, to wit:

East Vacuum Unit Well No. 003, Tract 2271, in Unit O of Section 22, Township 17 South, Range 35 East, NMPM, Lea County, New Mexico; and through plasticlined tubing set in a packer at approximately 4440 feet in the following described well for purposes of pressure maintenance, to wit:

East Vacuum Unit Well No. 001, Tract 2941, in Unit K of Section 29, Township 17 South, Range 35 East, NMPM, Lea County, New Mexico; and through plasticlined tubing set in a packer at approximately 4320 feet in the following described well for purposes of pressure maintenance, to wit;

East Vacuum Unit Well No. 003 in Tract 2622, Unit D of Section 26, Township 17 South, Range 35 East, NMPM, Lea County, New Mexico, and through plastic lined tubing set in a packer at approximately 4335 feet in the following described well for purposes of pressure maintenance, to wit: East Vacuum Unit Well No. 006, Tract 3229 in Unit L of Section 32, Township 17 South, Range 35 East, NMPM, Lea County, New Mexico, and through plastic lined tubing set in a packer at approximately 4460 feet in the following described well for purposes of pressure maintenance, to wit;

East Vacuum Unit Well No. 006, Tract 2738, in Unit D of Section 27, Township 17 South, Range 35 East, NMPM, Lea County, New Mexico, and through plastic-lined tubing set in a packer at approximately 4500 feet in the following described well for purposes of pressure maintenance, to wit;

East Vacuum Unit Well No. 002, Tract 2923 in Unit C of Section 29, Township 17 South, Range 35 East, NMPM, Lea County, New Mexico, and through plasticlined tubing set in a packer at approximately 4380 feet in the following described well for purposes of pressure maintenance, to wit;

East Vacuum Unit Well No. 001, Tract 0524 in Unit C of Section 5, Township 18 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 wells or system shall be equipped with a pop-off valve or device which will limit the wellhead pressure to a maximum of 900 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 District Office before injection is commenced through said wells.

That the operator shall immediately notify the Supervisor of the Division's Hobbs District Office of the failure of the tubing, casing, or packer in said wells or the leakage of water from or around said wells 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

-M. A. M.

JOE D. RAMEY Division Director

SEAL