



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

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APPLICATION OF HIXON DEVELOPMENT COMPANY
TO EXPAND ITS PRESSURE MAINTENANCE PROJECT
IN THE BISTI LOWER GALLUP POOL IN SAN JUAN
COUNTY, NEW MEXICO

ORDER No. PMX-148

ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION

Under the provisions of Order No. R-2065, Hixon Development Company has made application to the Division on August 24, 1987 for permission to expand its Carson Bisti Lower Gallup Pressure Maintenance Project in the Bisti Lower Gallup Pool in San Juan County, New Mexico.

NOW, on this 14 day of September, 1987, the Division Director finds that:

1. 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 701B.
4. The proposed injection well is eligible for conversion to water injection under the terms of Rule 701.
5. The proposed expansion of the above referenced Pressure Maintenance project will not cause waste nor impair correlative rights.
6. The application should be approved.

IT IS THEREFORE ORDERED THAT:

The applicant, Hixon Development Company, be and the same is hereby authorized to inject water into the perforated interval from 4866 feet to 4978 feet in the Lower Gallup formation through plastic-lined tubing set in a packer at approximately 4665 feet in the following described well for purposes of pressure maintenance to wit:

Carson Unit Well No. 21-19
660 FNL and 1980 FWL, Unit C
Section 19, Township 25 North,
Range 11 West, San Juan 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.

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 into the well, the casing shall be pressure tested from the surface to the packer setting depth to assure the integrity of the casing.

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 973 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 injection fluid from the Gallup formation. That such proper showing shall consist of a valid step-rate test in accordance with and acceptable to this office.

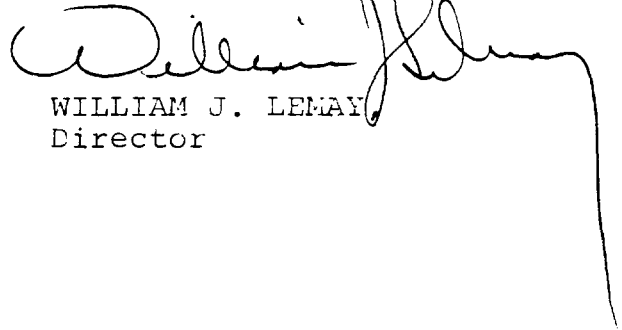
The operator shall notify the supervisor of the Division's Aztec District Office of the date and time of the installation of injection equipment and of the mechanical integrity test so that the same may be inspected and witnessed.

The operator shall immediately notify the Supervisor of the Division's Aztec 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.

The subject well shall be governed by all provisions of Division Order No. R-2065 and Rules 702, 703, 704, 705 and 706 not inconsistent herewith.

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 'William J. Lemay', is written over the typed name. The signature is fluid and cursive, with a long, sweeping tail that extends downwards and to the right.

WILLIAM J. LEMAY
Director

S E A L