STATE OF NEW MEXICO



ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

BRUCE KING GOVERNOR

ANITA LOCKWOOD CABINET SECRETARY POST OFFICE BOX 2088 STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO 87504 (505) 827-5800

ADMINISTRATIVE ORDER NO. PMX-169

APPLICATION OF MARATHON OIL COMPANY TO EXPAND ITS PRESSURE MAINTENANCE PROJECT IN THE TAMANO - BONE SPRING POOL IN EDDY COUNTY, NEW MEXICO

ADMINISTRATIVE ORDER OF THE OIL CONSERVATION DIVISION

Under the provisions of Division Order No. R-9548, Marathon Oil Company has made application to the Division on July 27, 1992, for permission to expand its Tamano (BSSC) Unit Waterflood Project in the Tamano - Bone Spring Pool in Eddy County, New Mexico.

THE DIVISION DIRECTOR FINDS THAT:

(1) The 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 701(B).

(4) The proposed injection wells are eligible for conversion to water injection under the terms of Rule 701.

(5) The proposed expansion of the above-referenced Tamano (BSSC) Unit Waterflood Project will not cause waste nor impair correlative rights.

(6) The application should be approved.

IT IS THEREFORE ORDERED THAT:

The applicant, Marathon Oil Company, be and the same is hereby authorized to inject water into the Bone Spring Second Carbonate formation at approximately 8082 feet to approximately 8224 feet through 2 3/8 inch plastic lined tubing set in a packer at approximately 8000 feet in the following described well for purposes of pressure

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maintenance to wit:

Tamano (BSSC) Unit No. 505 2260' FSL & 1980' FEL, Section 11, Township 18 South, Range 31 East

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.

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

The casing-tubing annulus in each well 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 wells or system shall be equipped with a pressure limiting device which will limit the wellhead pressure on the injection wells to no more than 1616 psi. or .2 psi/ft. of depth to the uppermost perforation.

The Director of the Division may authorize an increase in injection pressure upon a proper showing by the operator of said wells that such higher pressure will not result in migration of the injected fluid from the Bone Spring Second Carbonate formation. Such proper showing shall consist of a valid step-rate test run in accordance with and acceptable to this office.

The operator shall notify the supervisor of the Artesia district office of the Division of the date and time of the installation of injection equipment, of the mechanical integrity test, and of any re-plugging operations so that the same may be inspected and witnessed.

The operator shall immediately notify the supervisor of the Artesia district office of the Division of the failure of the tubing, casing or packer in said wells and shall take such steps as may be timely and necessary to correct such failure or leakage. Administrative Order PMX-169 Marathon Oil Company August 10, 1992 Page 3

The subject wells shall be governed by all provisions of Division Order No. R-9548 and Rules 702-706 of the Division Rules and Regulations not inconsistent herewith.

<u>PROVIDED FURTHER THAT</u>, jurisdiction of this cause is hereby retained by the Division for the entry of such further order or orders as may be deemed necessary or convenient for the prevention of waste and/or protection of correlative rights; upon failure of the operator to conduct operations in a manner which will ensure the protection of fresh water or in a manner inconsistent with the requirements set forth in this order, the Division may, after notice and hearing, terminate the injection authority granted herein.

DONE at Santa Fe, New Mexico, on this 10th day of August, 1992.

STATE OF NEW MEXICO **OIL CONSERVATION DIVISION** WILLIAM J. LEMAY Director

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cc: Oil Conservation Division - Artesia

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