



BRUCE KING
GOVERNOR

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CABINET SECRETARY

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION



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SANTA FE, NEW MEXICO 87504
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ADMINISTRATIVE ORDER NO. PMX-170

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

ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION

Under the provisions of Division Order No. R-7103, Phillips Petroleum Company has made application to the Division on July 29, 1992, for permission to expand its Phillips Hale - Mable Vacuum Grayburg - San Andres Pressure Maintenance Waterflood Project in the Vacuum Grayburg - San Andres Pool in Lea 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 Phillips Hale - Mable Vacuum Grayburg - San Andres Pressure Maintenance Project will not cause waste nor impair correlative rights.
- (6) 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 Grayburg - San Andres formations at approximately 4356 feet to approximately 4700 feet through 2 3/8 inch plastic lined tubing set in a packer located within 100 feet in the uppermost injection perforations for purposes of wells shown on Exhibit "A" attached hereto to pressure maintenance to wit.

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 .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 Grayburg and San Andres formations. 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 Hobbs 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 Hobbs 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.

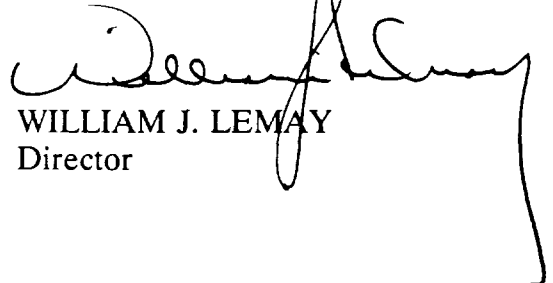
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The subject wells shall be governed by all provisions of Division Order No. R-7103 and Rules 702-706 of the Division Rules and Regulations not inconsistent herewith.

PROVIDED FURTHER THAT, 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 13th day of August, 1992.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY
Director

S E A L

cc: Oil Conservation Division - Hobbs

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EXHIBIT "A"

DIVISION ORDER NO. PMX-170

PHILLIPS HALE - MABLE VACUUM GRAYBURG - SAN ANDRES PRESSURE MAINTENANCE PROJECT

APPROVED INJECTION WELLS

DIVISION ORDER NO. PMX-170

<i>Well Number</i>	<i>Location</i>	<i>Unit</i>	<i>S-T-R</i>	<i>Injection Perforations</i>	<i>Packer Depth</i>	<i>Tubing Size</i>	<i>Injection Pressure</i>
M.E. Hale No. 12	1260' FSL & 2630' FEL	O	35-17S-34E	4356' to 4700'	4256'	2 3/8"	
M.E. Hale No. 13	1360' FSL & 1210' FEL	P	35-17S-34E	4367' to 4690'	4267'	2 3/8"	

Located in Lea County, New Mexico