



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

ADMINISTRATIVE ORDER NO. PMX-184

***APPLICATION OF BENSON-MONTIN-GREER DRILLING COMPANY TO EXPAND ITS
PRESSURE MAINTENANCE PROJECT IN THE LA PLATA-GALLUP OIL POOL IN SAN
JUAN COUNTY, NEW MEXICO***

ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION

Under the provisions of Division Order No. R-3714, Benson-Montin-Greer Drilling Company has made application to the Division on June 4, 1996 for permission to expand its BMG La Plata Mancos Pressure Maintenance Project in the La Plata-Gallup Oil Pool in San Juan 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 well is eligible for conversion to 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, Benson-Montin-Greer Drilling Company, be and the same is hereby authorized to inject gas into the Niobrara member of the Mancos shale formation at approximately 2220 feet to approximately 2304 feet through 2 3/8-inch plastic lined tubing set in a packer at approximately 2121 feet in the following described well for purposes of pressure maintenance to wit:

La Plata Mancos Unit Well No.4(N-31)
756' FSL & 1208' FWL
UL 'M', Section 31, T-32-N, R-13-W
San Juan County, New Mexico

IT IS FURTHER ORDERED THAT:

The operator shall take all steps necessary to ensure that the injected gas 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 well, the casing shall be pressure tested from the surface to the packer setting depth to assure the integrity of said casing.

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.

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 400 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 injected fluid from the Niobrara member of the Mancos shale formation.

The operator shall notify the supervisor of the Aztec district office of the Division of the date and time of the installation of injection equipment and of the mechanical integrity tests so that the same may be inspected and witnessed.

The operator shall immediately notify the supervisor of the Aztec district office of the Division of the failure of the tubing, casing or packer in said well and shall take such steps as may be timely and necessary to correct such failure or leakage.

The subject well shall be governed by all provisions of Division Order No. R-3714, as amended and Rules 702-706 of the Division Rules and Regulations not inconsistent herewith.

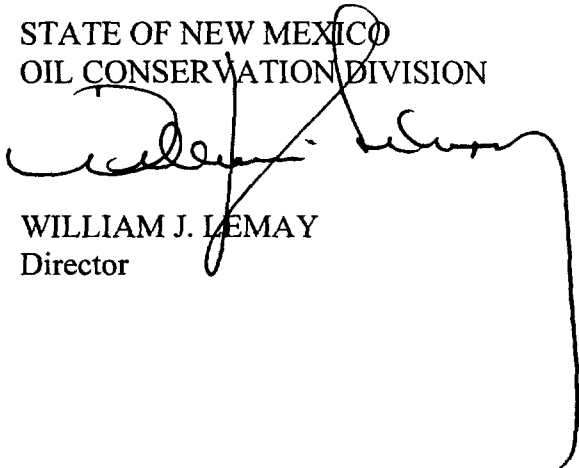
The subject well shall be governed by the Special Rules and Regulations for the BMG La Plata Mancos Pressure Maintenance Project as contained in Division Order No. R-3714 not inconsistent herewith.

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.

The injection authority granted herein shall terminate one year after the effective date of this order if the operator has not commenced injection operations into the subject well, provided however, the Division, upon written request by the operator, may grant an extension thereof for good cause shown.

DONE at Santa Fe, New Mexico, on this 10th day of July, 1996.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


WILLIAM J. LEMAY
Director

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cc: Oil Conservation Division - Aztec