

HINKLE, COX, EATON, COFFIELD & HENSLEY

LEWIS C. COX  
PAUL W. EATON  
CONRAD E. COFFIELD  
HAROLD L. HENSLEY JR.  
STUART D. SHANOR  
C. D. MARTIN  
PAUL J. KELLY JR.  
OWEN M. LOPEZ  
DOUGLAS L. LUNSFORD  
T. CALDER EZZELL, JR.  
WILLIAM B. BURFORD\*  
RICHARD E. OLSON  
RICHARD A. SIMMS  
DEBORAH NORWOOD\*  
RICHARD R. WILFONG\*  
STEVEN D. ARNOLD  
JAMES J. WECHSLER  
NANCY S. CUSACK

JEFFREY D. HEWETT\*  
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JERRY F. SHACKELFORD\*  
ALBERT L. PITTS  
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ROBERT M. BRISTOL  
MACDONNELL GORDON  
REBECCA J. NICHOLS  
PAUL R. NEWTON

ATTORNEYS AT LAW

218 MONTEZUMA

POST OFFICE BOX 2068

SANTA FE, NEW MEXICO 87504-2068

(505) 982-4554

200 BLANKS BUILDING  
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MIDLAND, TEXAS 79702  
(915) 683-4691

1700 TEXAS AMERICAN BANK BUILDING  
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AMARILLO, TEXAS 79101  
(806) 372-5569

700 UNITED BANK PLAZA  
POST OFFICE BOX 10  
ROSWELL, NEW MEXICO 88201  
(505) 622-6510

RECEIVED

November 27, 1985 NOV 27 1985

OIL CONSERVATION DIVISION

*Hand Delivered*

Florene Davidson  
New Mexico Oil Conservation Division  
State Land Office Building  
310 Old Santa Fe Trail  
Santa Fe, New Mexico 87501

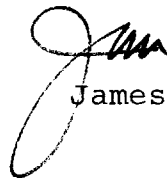
Re: Case No. 8786 Application of Murphy Operating  
Corporation for Statutory Unitization, Approval  
of a Unit, and for Authority to Institute a  
Water Flood Project, Roosevelt County, New Mexico

Dear Florene:

Enclosed for filing are supplements to Form C-108, filed by  
Murphy Operating Corporation in connection with the above matter.

Very truly yours,

HINKLE, COX, EATON,  
COFFIELD & HENSLEY



James Bruce

JGB:jr  
Enclosures

JEFFREY L. FORNACIARI

OF COUNSEL  
ROY C. SNODGRASS, JR.  
O. M. CALHOUN  
MACK EASLEY

CLARENCE E. HINKLE (1901-1985)  
W. E. BONDURANT, JR. (1913-1973)  
ROBERT A. STONE (1905-1981)

\*NOT LICENSED IN NEW MEXICO

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF MURPHY OPERATING  
CORPORATION FOR STATUTORY UNITIZATION,  
APPROVAL OF A UNIT, AND FOR AUTHORITY  
TO INSTITUTE A WATER FLOOD PROJECT,  
ROOSEVELT COUNTY, NEW MEXICO.

No. 5780

SUPPLEMENTAL DATA REQUIRED  
BY FORM C-108

I. The purpose of this Application is for secondary recovery.

II. The operator is Murphy Operating Corporation of P. O. Drawer 2648, Roswell, New Mexico, 88201, contact party: Miss A. J. Murphy, Mr. Mark Murphy, telephone (505) 622-7210.

III. Well Data: See attached Exhibit III.

IV. This is not an expansion of an existing project.

V. See original Application for map identifying wells and leases within two miles of proposed injection wells.

VI. For a tabulation of data on all wells within the area of review, see Exhibit 3 to the Water Flood Survey attached hereto. The "area of review wells" are highlighted in yellow on said exhibit and their locations are as follows:

Ingram Federal "E" No. 1 - NE $\frac{1}{4}$ NW $\frac{1}{4}$  Section 24, Township 8 South, Range 37 East

Ingram Federal "E" No. 2 - NW $\frac{1}{4}$ NE $\frac{1}{4}$  Section 24, Township 8 South, Range 37 East

Murphy Baetz Federal No. 3 - SE $\frac{1}{4}$ NE $\frac{1}{4}$  Section 13, Township 8 South, Range 37 East

Murphy Baetz Federal No. 4 - NE $\frac{1}{4}$ NW $\frac{1}{4}$  Section 13, Township 8 South, Range 37 East

Murphy Baetz Federal No. 5 - SE $\frac{1}{4}$ SW $\frac{1}{4}$  Section 13, Township 8  
South, Range 37 East

Murphy Baetz KGS No. 1 - SW $\frac{1}{4}$ NW $\frac{1}{4}$  Section 13, Township 8  
South, Range 37 East

Murphy Bluitt Federal No. 2 - NW $\frac{1}{4}$ SE $\frac{1}{4}$  Section 13, Township 8  
South, Range 37 East

Kirkpatrick Federal 7 - NE $\frac{1}{4}$ SW $\frac{1}{4}$  Section 14, Township 8  
(dry hole - plugging data South, Range 37 East  
not available)

Murphy McCaw Federal No. 1 - NE $\frac{1}{4}$ NE $\frac{1}{4}$  Section 24, Township 8  
South, Range 37 East

Murphy Shaw Federal No. 1 - NW $\frac{1}{4}$ SW $\frac{1}{4}$  Section 18, Township 8  
South, Range 38 East

Murphy Shaw Federal No. 2 - SW $\frac{1}{4}$ SW Section 18, Township 8  
South, Range 38 East

Rhonda Operating Company  
Roden Bluitt Federal No. 1 - SE $\frac{1}{4}$ NW $\frac{1}{4}$  Section 18, Township 8  
South, Range 38 East

VII. See original Application for proposed average and maximum daily rate of injection and water sources. The proposed water flood system shall be a closed system and there will be no injection for disposal purposes into nonproductive zones.

VIII. See text of attached Supplemental Water Flood Survey for geological data, along with Exhibits 4 and 5 of said Water Flood Survey.

IX. Not applicable.

X. See attached Exhibit X.

XI. Not applicable.

XII. Not applicable.

XIII. Attached hereto as Exhibit XIII are xerox copies of return receipts and post office receipts showing that a copy of the original Application was furnished by certified mail to the owner of the surface of the land, Mr. D. Buffington, as well as each leasehold operator within one-half mile of any injection well, being Mr. Tom L. Ingram, and Rhonda Operating Company, Ralph Viney, president. The applicant is the leasehold operator of all other leases within one-half mile of any proposed injection well.

XIV. I hereby certify that the information submitted with this Application is true and correct to the best of my knowledge and belief.

HINKLE, COX, EATON, COFFIELD & HENSLEY

Attorneys for Applicant, Murphy Operating Corporation

By: T. Calder Ezzell, Jr.  
T. Calder Ezzell, Jr.

DATED: 10/26/85

# TYPICAL INJECTION WELL DATA SHEET

EXHIBIT III

Murphy Operating Corporation  
OPERATOR

Baetz Federal  
LEASE

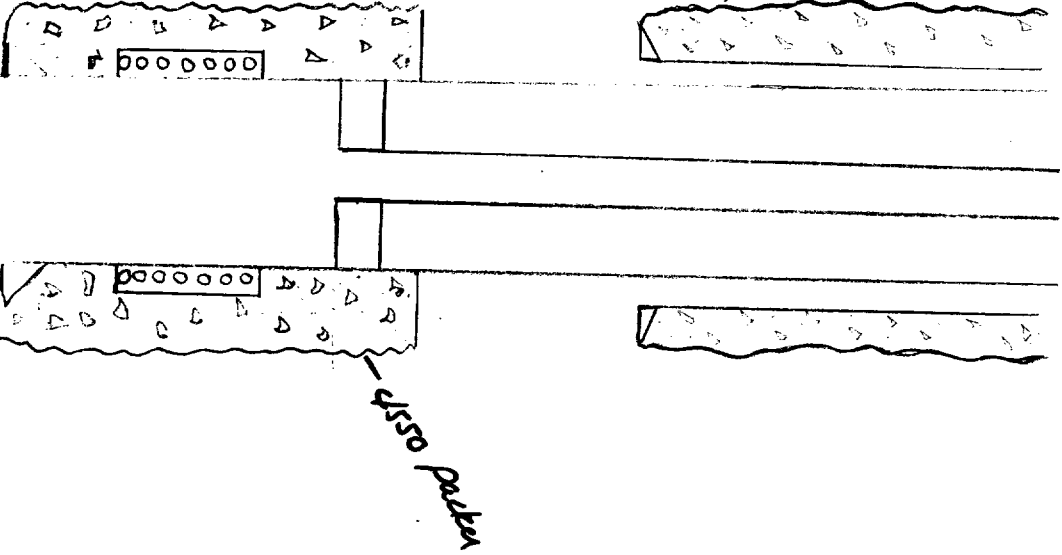
#1 1980 FNL and 1980 FEL  
WELL NO. FOOTAGE LOCATION

13  
SECTION

8 South 37 East  
TOWNSHIP RANGE

Roosevelt County, New Mexico

## Schematic



## Tabular Data

### Surface Casing

Size 300' 8 5/8" 28# " Cemented with 150 sx.  
IDC circulated feet determined by completion report.  
Hole size 12 1/4"

### Intermediate Casing

Size N/A " Cemented with N/A sx.  
IDC N/A feet determined by N/A  
Hole size N/A

### Long string

Size 4784' 4 1/2" 9.5# J"55 Cemented with 200 sx.  
IDC 4031' feet determined by CBL  
Hole size 7 7/8"  
Total depth 4793' K.B. 4788' PBD

### Injection interval

4649 feet to 4679 1/2 feet  
(perforated as open hole - indicate which)

# TYPICAL INJECTION WELL DATA SHEET -- SIDE 2

NOV 21 1985 09:51 (X)

P.1

Tubing size 2 3/8" 4.7# J-55 lined with PVC or plastic coated set in a  
(material)

4 1/2" Guiberson Uni-I 3.10 packer at 4550 feet  
(brand and model)

(or describe any other casing-tubing seal).

## Other Data

1. Name of the injection formation San Andres P-2 (Slaughter)

2. Name of Field or Pool (if applicable) Bluitt San Andres

3. Is this a new well drilled for injection? ☐ Yes ☒ No

If no, for what purpose was the well originally drilled? As a producing oil and gas well.

4. Has the well ever been perforated in any other zone(s)? List all such perforated intervals and give plugging detail (sacks of cement or bridge plug(s) used) No

5. Give the depth to and name of any overlying and/or underlying oil or gas zones (pools) in this area. In this well, the top of the P-1 zone of the San Andres occurs at 4507'. The P-1 is an

infrequent gas producing zone in this area. There is no known deep production in this immediate area.

EXHIBIT X-1  
BLUITT FEDERAL NO. 1

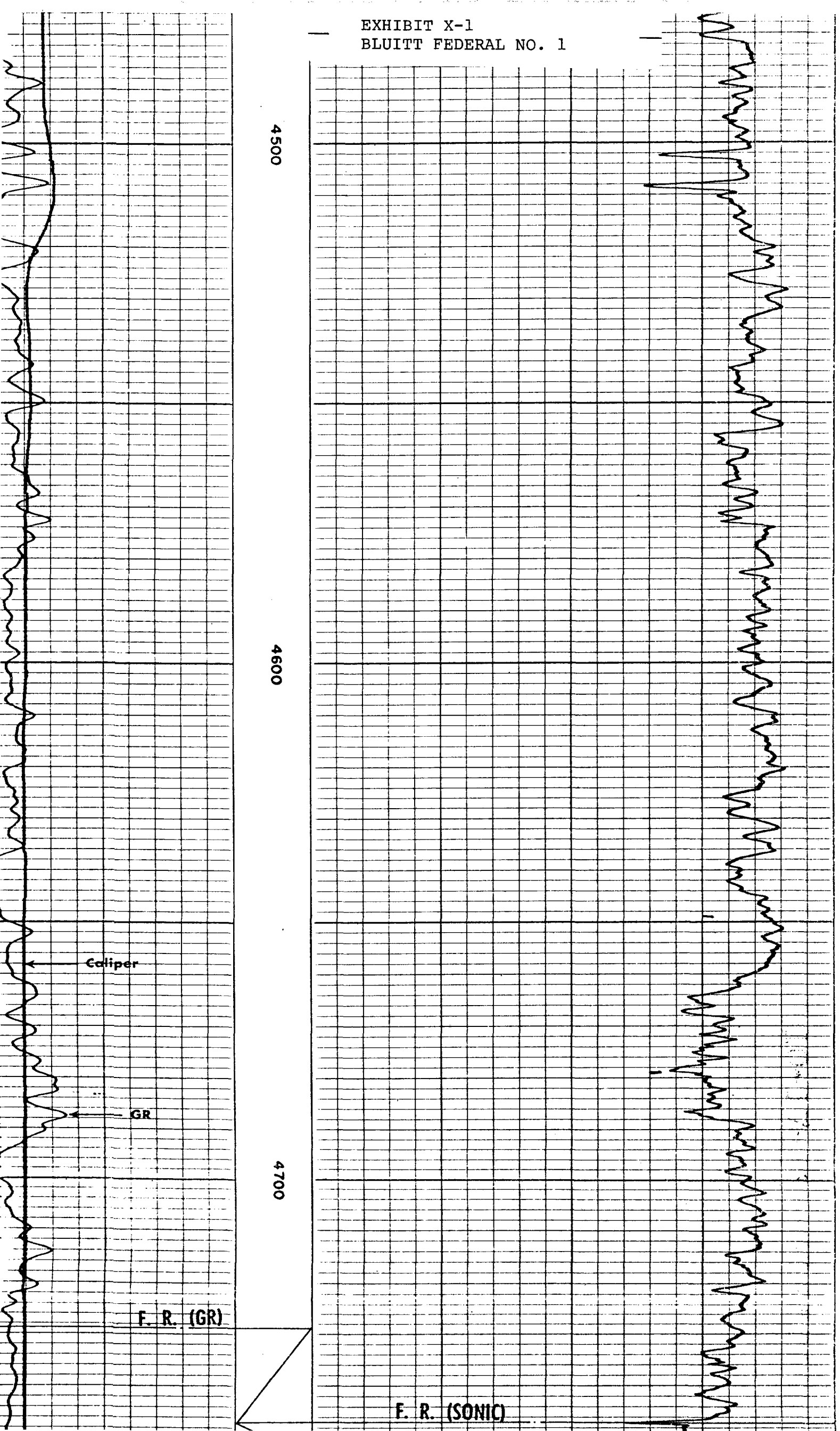
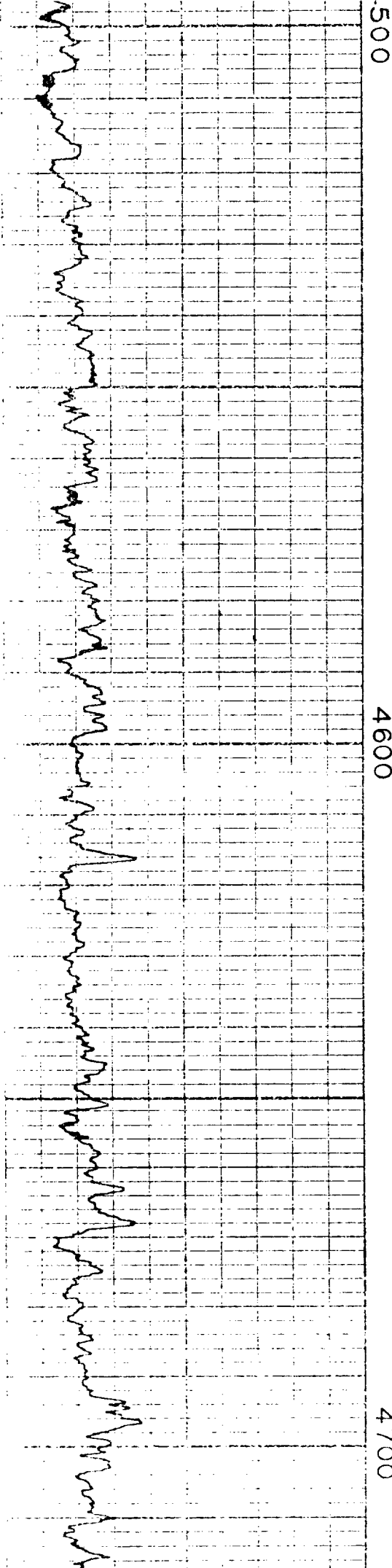
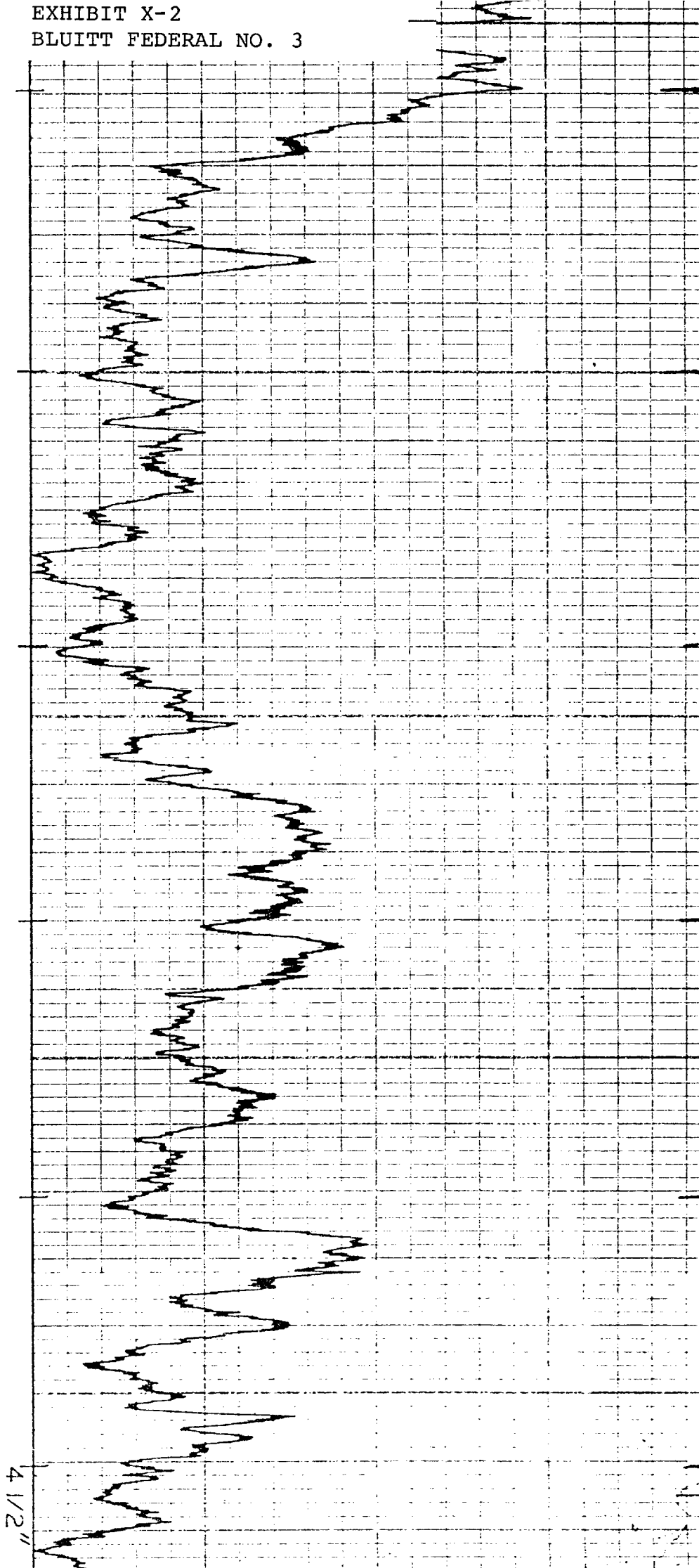


EXHIBIT X-2  
BLUITT FEDERAL NO. 3



R.D. 4719'  
LAYTON ENTERPRISES, INC.  
BLUITT FED. NO. 3  
BLUITT

REPEAT  
API Gamma Ray Units



R.D. 4726'  
T.D. 4727'

SECTION

API Neutron Units

casing  
collar  
depths

0 10 20 30 40 50 60 70 80 90 100

0 20 40 60 80 100

0 50 100

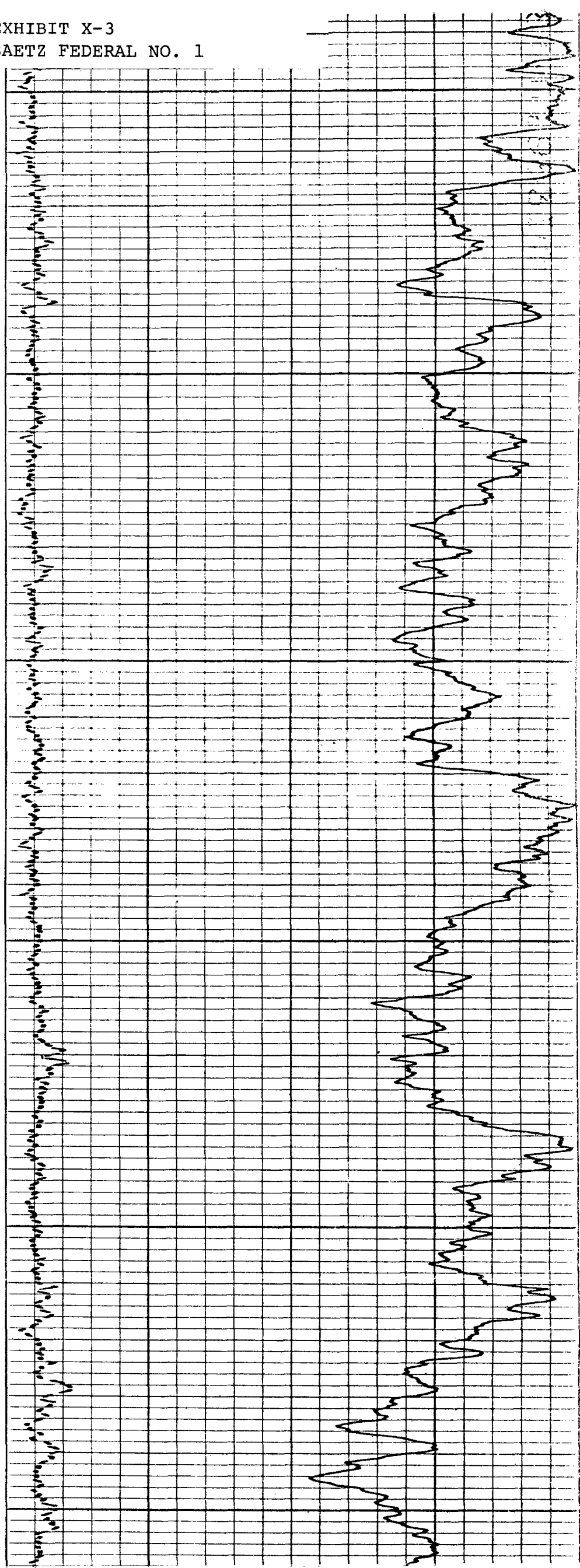
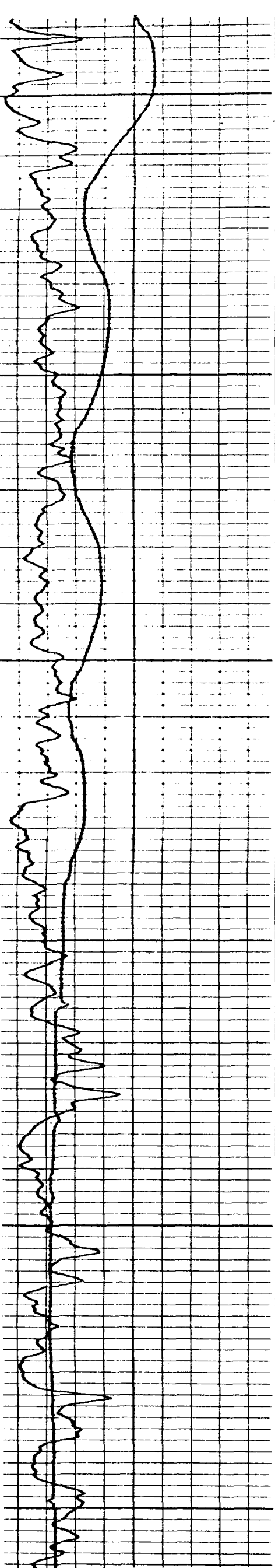
100

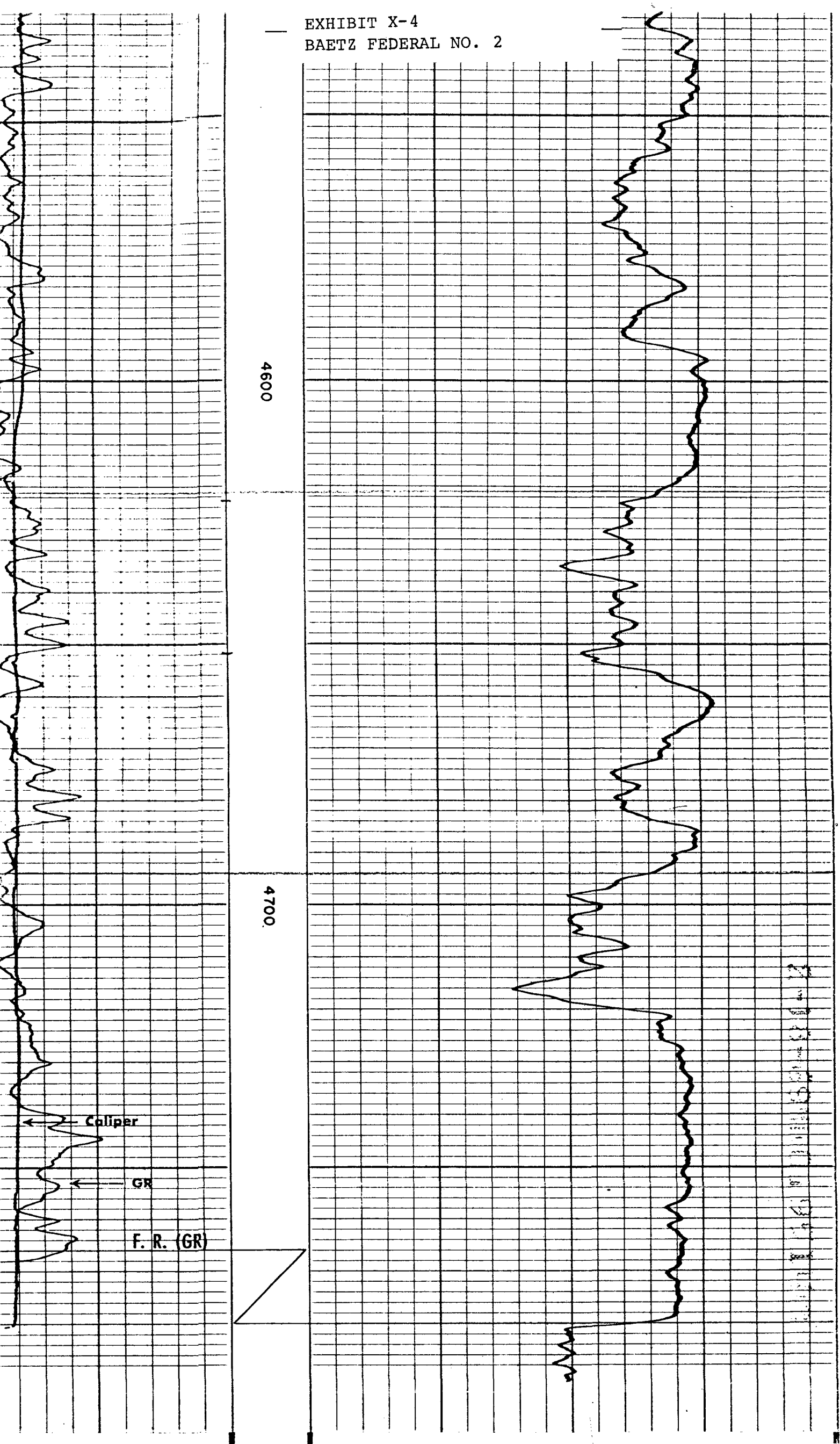


4500

4600

4700





PS Form 3811, Dec. 1983

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

● **SENDER:** Complete items 1, 2, 3, and 4.  
Add your address in the "RETURN TO" space on reverse.

**(CONSULT POSTMASTER FOR FEES)**

1. The following service is requested (check one).  
☒ Show to whom and date delivered ..... —¢  
☐ Show to whom, date, and address of delivery.. —¢

2. ☐ **RESTRICTED DELIVERY** —¢  
 (The restricted delivery fee is charged in addition to the return receipt fee.)

**TOTAL \$** \_\_\_\_\_

3. **ARTICLE ADDRESSED TO:**  
 Ralph H. Viney/Rhonda Operating Comp.  
 500 North Loraine, Suite 1000  
 Midland, Texas 79701

4. **TYPE OF SERVICE:** **ARTICLE NUMBER**  
☐ REGISTERED ☐ INSURED  
☒ CERTIFIED ☐ COD **P 732 287 034**  
☐ EXPRESS MAIL

(Always obtain signature of addressee or agent)

I have received the article described above.  
**SIGNATURE** ☐ Addressee ☐ Authorized agent  
*[Signature]*

5. **DATE OF DELIVERY** **POSTMARK**  
 NOV 22 1985 TX

6. **ADDRESSEE'S ADDRESS** (Only if requested)

7. **UNABLE TO DELIVER BECAUSE:** **EMPLOYEE'S INITIALS**

P 732 287 034

## RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED  
NOT FOR INTERNATIONAL MAIL

(See Reverse)

\* U.S.G.P.O. 1983-403-517

PS Form 3800, Feb. 1982

Sent to  
 Ralph H. Viney, Pres.  
 Rhonda Operating Company  
 500 N. Loraine, Ste. 1000  
 P.O., State and ZIP Code  
 Midland, Texas 79701

Postage \$ \_\_\_\_\_

Certified Fee \_\_\_\_\_

Special Delivery Fee \_\_\_\_\_

Restricted Delivery Fee \_\_\_\_\_

Return Receipt Showing to whom and Date Delivered \_\_\_\_\_

Return receipt showing to whom, Date, and Address of Delivery \_\_\_\_\_

TOTAL Postage and Fees \$ \_\_\_\_\_

Postmark or Date  
 11/22/85



MURPHY OPERATING CORPORATION  
UNITED BANK PLAZA, SUITE 300  
400 NORTH PENNSYLVANIA AVENUE  
POST OFFICE BOX 2648  
ROSWELL, NEW MEXICO 88202-2648

TELEPHONE  
505 623-7210

November 22, 1985

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Mr. Ralph H. Viney, President  
Rhonda Operating Company  
500 North Loraine, Suite 1000  
Midland, Texas 79701

Re: Proposed Bluitt San Andres Unit  
Roosevelt County, New Mexico

Dear Mr. Viney:

Our records indicate that you (or your company) are the operator of a lease(s) within the designated area of the captioned proposed unit. Pursuant to the rules of the New Mexico Oil Conservation Division, we have enclosed a copy of the "Application of Murphy Operating Corporation for Statutory Unitization, Approval of a Unit, and for Authority to Institute a Water Flood Project" for the proposed unit.

The hearing date has been set for Wednesday, December 4, 1985 at 8:00 A.M. in the offices of the New Mexico Oil Conservation Division, Santa Fe, New Mexico. Your appearance at this hearing is not required. Please let me know if you have any questions.

Sincerely,

MURPHY OPERATING CORPORATION  
Designated Operator for  
Proposed Bluitt San Andres Unit

A. J. Murphy, Esq.  
Chairman and Chief Executive Officer

AJM/fnr

Enclosure: Application

PS Form 3811, Dec. 1980

RETURN RECEIPT, REGISTERED, INSURED AND CERTIFIED MAIL

● **SENDER:** Complete items 1, 2, 3, and 4.  
Add your address in the "RETURN TO" space  
on reverse.

**(CONSULT POSTMASTER FOR FEES)**

1. The following service is requested (check one).

- ☒ Show to whom and date delivered ..... \$  
☐ Show to whom, date, and address of delivery.. \$

2. ☐ **RESTRICTED DELIVERY** \$

(The restricted delivery fee is charged in addition to  
the return receipt fee.)

**TOTAL** \$

3. **ARTICLE ADDRESSED TO:**

Mr. Tom L. Ingram  
Post Office Box 1757  
Roswell, New Mexico 88202-1757

4. **TYPE OF SERVICE:**

- ☐ REGISTERED ☐ INSURED  
☒ CERTIFIED ☐ COD  
☐ EXPRESS MAIL

**ARTICLE NUMBER**

P 732 287 032

(Always obtain signature of addressee or agent)

I have received the article described above.

**SIGNATURE** ☐ Addressee ☐ Authorized agent

*M. Cochran*

5. **DATE OF DELIVERY**

11-25-85

**POSTMARK**

6. **ADDRESSEE'S ADDRESS** (Only if requested)

7. **UNABLE TO DELIVER BECAUSE:**

7a. **EMPLOYEE'S  
INITIALS**

P 732 287 032

**RECEIPT FOR CERTIFIED MAIL**

NO INSURANCE COVERAGE PROVIDED  
NOT FOR INTERNATIONAL MAIL

(See Reverse)

★ U.S.G.P.O. 1983-403-517

PS Form 3800, Feb. 1982

Sent to Tom L. Ingram	
Street and No. P. O. Box 1757	
P.O., State and ZIP Code Roswell, N.M. 88202-1757	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to whom and Date Delivered	
Return receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$
Postmark or Date  11/22/85	



MURPHY OPERATING CORPORATION  
UNITED BANK PLAZA, SUITE 300  
400 NORTH PENNSYLVANIA AVENUE  
POST OFFICE BOX 2648  
ROSWELL, NEW MEXICO 88202-2648

TELEPHONE  
505 623-7210

November 22, 1985

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Mr. Tom L. Ingram  
Post Office Box 1757  
Roswell, New Mexico 88202-1757

Re: Proposed Bluitt San Andres Unit  
Roosevelt County, New Mexico

Dear Tom:

Our records indicate that you (or your company) are the operator of a lease(s) within the designated area of the captioned proposed unit. Pursuant to the rules of the New Mexico Oil Conservation Division, we have enclosed a copy of the "Application of Murphy Operating Corporation for Statutory Unitization, Approval of a Unit, and for Authority to Institute a Water Flood Project" for the proposed unit.

The hearing date has been set for Wednesday, December 4, 1985 at 8:00 A.M. in the offices of the New Mexico Oil Conservation Division, Santa Fe, New Mexico. Your appearance at this hearing is not required. Please let me know if you have any questions.

Sincerely,

MURPHY OPERATING CORPORATION  
Designated Operator for  
Proposed Bluitt San Andres Unit

A. J. Murphy, Esq.  
Chairman and Chief Executive Officer

AJM/fnr

Enclosure: Application

EXPRESS MAIL  
NEXT DAY SERVICE



POST OFFICE TO ADDRESSEE

B 600 5800

ORIGIN	Date In 11-22-85	Postage \$ 10.75
Post Office ZIP Code 88201	Time In 1900	Return Receipt Fee \$
Initials of Receiving Clerk W.A.	Weight ____ lbs.	
<b>ACCEPTANCE</b> <input type="checkbox"/> Accepted for next day delivery. <input checked="" type="checkbox"/> Accepted for this destination after deposit deadline for next day delivery; therefore, for delivery by second day <small>(Consult your local Express Mail Next Day Service directory for deposit deadlines for different destinations)</small>		Total Postage & Fees \$ 10.75



**Service Guarantee:**

Domestic mailings under this service made at designated USPS facilities on or before a specified deposit time will be accepted for express shipment to a designated USPS delivery area having Express Mail service for next day delivery to an addressee or agent on or before the time specified by the USPS at mailing. USPS will refund upon application to originating office the postage for any shipments mailed under this service and not meeting the service standard except for those delayed by strike or work stoppage. See chapter 2 of the Domestic Mail Manual for details.

**Insurance Coverage:**

See section 294 of the Domestic Mail Manual for exclusions of coverage.

(1) **Merchandise Insurance.** Merchandise is insured against loss, damage or rifling up to a maximum of \$500. Indemnity will not be paid for spoilage of perishable items.  
(2) **Document Reconstruction Insurance.** Non-negotiable documents are insured against loss, damage or rifling up to \$50,000 per piece subject to a limit of \$500,000 per occurrence.

- Signature is required upon delivery.
- Claims for delay, loss, damage or rifling must be made within 90 days. Claim forms may be obtained at the post office of mailing.
- The Customer Receipt must be presented when a claim is filed.

**Account Number (If any)**

Express Mail Corporate Account No.: \_\_\_\_\_

Federal Agency Code: \_\_\_\_\_

FROM:



**CUSTOMER RECEIPT**

TO:

Telephone Number: \_\_\_\_\_

ILLEGIBLE

Label II-B (8-84)



MURPHY OPERATING CORPORATION  
UNITED BANK PLAZA, SUITE 300  
400 NORTH PENNSYLVANIA AVENUE  
POST OFFICE BOX 2648  
ROSWELL, NEW MEXICO 88202-2648

TELEPHONE  
505 623-7210

November 22, 1985

EXPRESS MAIL - RETURN RECEIPT REQUESTED

Mr. Dick Buffington  
Post Office Box 201  
Mariceville, Texas 77626

Re: Proposed Bluitt San Andres Unit  
Roosevelt County, New Mexico

Dear Mr. Buffington:

Our records indicate that you are the owner of surface lands within the designated area for the proposed Bluitt San Andres Unit. Please be advised that Murphy Operating Corporation is the designated Unit Operator for this proposed unit. According to the agreement among the interest owners within the unit area, a secondary recovery project (a water flood program) for purposes of enhanced oil production must be initiated within eighteen (18) months of the unit's effective date (estimated January 1, 1986). The project may involve the drilling of a well(s) and/or the conversion of an existing well(s) for purposes of water injection. Enclosed for your information and file is a copy of the engineering report entitled "Supplemental Water Flood Survey" dated September 1, 1983, outlining our plans for this project.

Additionally, pursuant to the rules of the New Mexico Oil Conservation Division, we have enclosed a copy of the "Application of Murphy Operating Corporation for Statutory Unitization, Approval of a Unit, and for Authority to Institute a Water Flood Project" for the proposed unit. The hearing date for this application has been set for Wednesday, December 4, 1985 at 8:00 A.M. in the offices of the New Mexico Oil Conservation Division, Santa Fe, New Mexico. Your appearance at this hearing is not required.

Please contact me if you have any questions or comments.

Sincerely,

MURPHY OPERATING CORPORATION  
Designated Operator for  
Proposed Bluitt San Andres Unit

A. J. Murphy, Esq.  
Chairman and Chief Executive Officer



# HINKLE, COX, EATON, COFFIELD & HENSLEY

ATTORNEYS AT LAW

700 UNITED BANK PLAZA

POST OFFICE BOX 10

ROSWELL, NEW MEXICO 88201

(505) 622-6510

200 BLANKS BUILDING

POST OFFICE BOX 3580

MIDLAND, TEXAS 79702

(915) 683-4691

1700 TEXAS AMERICAN BANK BUILDING

POST OFFICE BOX 12118

AMARILLO, TEXAS 79101

(806) 372-5569

218 MONTEZUMA

POST OFFICE BOX 2068

SANTA FE, NEW MEXICO 87504

(505) 982-4554

December 12, 1985

LEWIS C. COX  
PAUL W. EATON  
CONRAD E. COFFIELD  
HAROLD L. HENSLEY, JR.  
STUART D. SHANOR  
C. D. MARTIN  
PAUL J. KELLY, JR.  
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T. CALDER EZZELL, JR.  
WILLIAM B. BURFORD\*  
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RICHARD A. SIMMS  
DEBORAH NORWOOD\*  
JAMES H. ISBELL\*  
RICHARD R. WILFONG\*  
STEVEN D. ARNOLD  
JAMES J. WECHSLER  
NANCY S. CUSACK

DAVID L. SPOEDE  
JEFFREY D. HEWETT\*  
JAMES BRUCE  
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THOMAS D. HAINES, JR.  
THOMAS M. HNASKO  
MICHAEL F. MILLERICK  
GREGORY J. NIBERT  
JUDY K. MOORE\*  
DAVID T. MARKETTE\*  
BRUCE R. ROGOFF  
JAMES M. HUDSON  
DONALD R. FENSTERMACHER  
DAVID B. GROCE\*  
ROBERT M. BRISTOL  
GARY M. LADEN\*  
CHRISTOPHER S. RAY\*  
REBECCA J. NICHOLS\*  
MACDONNELL GORDON\*  
PAUL R. NEWTON\*

JEFFREY L. FORNACIARI  
ROBERT D. SIMPSON\*

OF COUNSEL  
CLARENCE E. HINKLE  
ROY C. SNOODGRASS, JR.  
O. M. CALHOUN  
MACK EASLEY  
GORDON L. LLEWELLYN

W. E. BONDURANT, JR. (1913-1973)  
ROBERT A. STONE (1905-1981)

\*NOT LICENSED IN NEW MEXICO

RECEIVED

DEC 1 1985

OIL CONSERVATION DIVISION

Oil Conservation Division  
P.O. Box 2088  
State Land Office Building  
Santa Fe, New Mexico 87501

Attention: Mr. David R. Catanach, Hearing Examiner  
Jeff Taylor, Esq.

Re: Consolidated Cases 8779 and 8780

Gentlemen:

Pursuant to your request, please find enclosed proposed drafts of orders relative to cases No. 8779, which was the application of Murphy Operating Corporation for approval of a unit and statutory unitization, and Case 8780 which was the application of Murphy Operating Corporation for the approval of a waterflood project. In addition, please find enclosed the following:

A. A copy of a 1986 plan of operation for the Bluit/ San Andres Unit.

B. Copies of water analysis from the Baetz Federal No. 2 Well and the Bluit Federal No. 2 Well which analyzed produced water from the P2 zone of the San Andres, pursuant to your request at our hearing.

C. A detailed tabulation of drilling and completion information on all proposed injection wells and wells within the area of review (1/2 mile diameter around each proposed injection well). You had specifically requested this information to determine the cement tops with respect to these wells, which is shown under the column labeled "Casing Record".

D. Copies of additional unit ratifications received since the hearing.

December 12, 1985

E. Copies of letters and questionnaires from Hamersley, Kelly and Southworth which evidence Frank Baumgartner's authority to speak for them as non-committed working interest owners.

F. Copies of return receipts evidencing receipt by each non-committed working interest or overriding royalty interest owner of ratifications and notification of the December 4, 1985 hearing.

I trust that this satisfies your needs for additional data, and that the proposed orders meet with your approval. We have been notified by the B.L.M. that we may expect final approval of the unit by Friday, December 20, 1985. As we discussed at the hearing, the unit operator and non-operating working interest owners are anxious that unit operations begin on January 1, 1986. We therefore respectfully request that you expedite your decision and the execution of appropriate orders with respect to these cases.

Thanking you again for your cooperation, I remain

Yours very truly,

HINKLE, COX, EATON, COFFIELD & HENSLEY

  
T. Calder Ezzell, Jr.

TCE:psh

Enclosures

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
DIVISION FOR THE PURPOSE OF  
CONSIDERING:

CASE NO. 8780

Order No. R-\_\_\_\_\_

APPLICATION OF MURPHY OPERATING  
CORPORATION FOR A WATER FLOOD  
PROJECT, ROOSEVELT COUNTY,  
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:00 a.m. on December 4, 1985, at Santa Fe, New Mexico, before Examiner David Catanach.

NOW, on this \_\_\_\_\_ day of December, 1985, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this case and the subject matter thereof.

(2) By Division Order No. R-\_\_\_\_\_ dated December \_\_\_\_\_, 1985, statutory unitization was approved for the Bluit San Andres Unit Area, Roosevelt County, New Mexico.

(3) The applicant, Murphy Operating Corporation, seeks authority to institute a water flood project for the aforesaid

Bluitt San Andres Unit Area within the Bluitt-San Andres Associated Pool, Roosevelt County, New Mexico, by the injection of water into the San Andres formation through four wells at orthodox locations; the four wells are producing wells which will be converted to injection wells in 1986. The wells to be converted to injection wells are specified on Exhibit A attached hereto.

(4) In addition, if the initial injection program is successful, Applicant proposes that additional injection wells and additional producing wells will be drilled at orthodox and unorthodox locations, and therefore, an administrative procedure should be established for the approval of any such additional wells, pursuant to Rule 701(F)(4).

(5) That all of the wells specified in Findings Nos. (3) and (4) above will provide a thorough and efficient sweep of hydrocarbons throughout the unit area, and will result in the recovery of otherwise unrecoverable oil and gas, thereby preventing waste, and will not impair correlative rights.

(6) That the Applicant further seeks the designation of a project area for said water flood project for the Bluitt San Andres Unit, and for the promulgation of special rules and regulations governing said project, including special allowable provisions, which is in the interest of conservation and should be approved, subject to certain provisions set forth herein.

(7) That the project area should consist of that area within the boundary of the Bluitt San Andres Unit Area, as described in Order R-\_\_\_\_\_.

(8) The project area allowable should be equal to the ability of the wells to produce and shall not be subject to the depth bracket allowable for the pool nor to the market demand percentage factor.

(9) The Director of the Oil Conservation Division should have authority to approve, without notice and hearing, the drilling of wells at unorthodox locations anywhere within the boundary of the Bluit San Andres Unit Area, provided however, no unorthodox location shall be closer than ten feet to any quarter-quarter section line, and provided further that no such unorthodox location shall be closer than 330 feet to the boundary of the unit area, unless such well is covered by a lease-line agreement with the operator of the lands offsetting such well, and a copy of the lease-line agreement accompanies the application for such unorthodox location, or unless such offset operator has waived objection to the proposed unorthodox location in writing, and his waiver accompanies the application.

(10) Application for approval of additional wells to be used for injection should be filed in accordance with Rule 701 of the Division Rules and Regulations and provision should be made whereby the same could be approved administratively by the Division Director without notice and hearing.

(11) That each newly drilled injection or producing well should be equipped as follows:

- a. Minimum of \_\_\_\_\_ feet of surface casing and production casing run to total depth (approximately \_\_\_\_\_ feet), or

b. Surface casing cemented below the "red beds" (approximately \_\_\_\_\_ feet) and production casing run to total depth (approximately \_\_\_\_\_ feet).

c. The Division Director should have authority to approve exceptions to the aforesaid casing programs for good cause shown.

All casing strings should be cemented to the surface except that in any well in which an intermediate casing string has been run and cemented to the surface, the production string may be cemented back into the base of the intermediate casing.

(12) Injection should be accomplished through plastic-lined tubing installed in a packer set within 100 feet of the uppermost perforation, or in the case of an open hole completion, 100 feet above the casing shoe. The casing-tubing annulus in each injection well should be filled with an inert fluid and a surface pressure gauge or approved leak detection device should be attached to the annulus.

(13) The injection wells or system should be equipped with a pressure control device or acceptable substitute which will limit the surface injection pressure to no more than 0.2 psi per foot of depth to the injection zone. The Division Director should have authority to administratively authorize a pressure limitation in excess of the above upon a showing by the unit Operator that such higher pressure will not result in fracturing of the confining strata.

(14) All wells within the unit area should be equipped with risers or in some other acceptable manner so as to facilitate the periodic testing of the bradenhead for pressure of fluid production.

(15) The Unit Operator should 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 from injection, production, or plugged and abandoned wells.

(16) The subjection application should be approved and the project should be governed by the provisions of Rules 701 through 708 of the Division Rules and Regulations.

IT IS THEREFORE ORDERED THAT:

(1) The Applicant, Murphy Operating Corporation, is hereby authorized to institute and operate a water flood project in the Bluitt San Andres Unit Area within the Bluitt-San Andres Associated Pool, Roosevelt County, New Mexico, by the injection of water into the San Andres formation through certain wells which will be administratively approved for water injection by the Division Director.

(2) Said project shall be designated the Bluitt San Andres Unit Water Flood Project.

(3) Special Rules and Regulations governing the Bluitt San Andres Unit Water Flood Project are hereby promulgated as follows:

SPECIAL RULES AND REGULATIONS  
FOR THE  
BLUITT SAN ANDRES UNIT  
WATER FLOOD PROJECT

RULE 1. The project area shall consist of the acreage included in the Bluitt San Andres Unit, as more particularly described in Order No. \_\_\_\_\_ of Order No. R-\_\_\_\_\_.

RULE 2. The project area shall receive a project area allowable, and said project area allowable shall be equal to the ability of the wells to produce and shall not be subject to the depth bracket allowable for the pool nor the market demand percentage factor.

RULE 3. The Director of the Oil Conservation Division shall have authority to approve, without notice and hearing, the drilling of wells at unorthodox locations anywhere within the boundary of the Bluitt San Andres Unit Area, provided however, no unorthodox location shall be closer than ten feet to any quarter-quarter section line, and provided further, that no such unorthodox location shall be closer than 300 feet to the boundary of the unit area, unless such well is covered by a lease-line agreement with the operator of the lands offsetting such well, and a copy of the lease-line agreement accompanies the application for such unorthodox location, or unless such offset operator has waived objection to the proposed unorthodox location in writing, and his waiver accompanies the application.

RULE 4. Application for approval of additional wells to be used for injection shall be filed in accordance with Rule 701 of



the Division Rules and Regulations and may be approved administratively by the Division Director without notice and hearing.

RULE 5. Each newly drilled injection or producing well shall be equipped as follows:

a. Minimum of \_\_\_\_\_ feet of surface casing and production casing run to total depth (approximately \_\_\_\_\_ feet), or

b. Surface casing cemented below the "red beds" (approximately \_\_\_\_\_ feet) and production casing run to total depth (approximately \_\_\_\_\_ feet).

c. Exceptions to the aforesaid casing programs may be granted by administrative approval of the Division Director upon good cause shown.

All casing strings shall be cemented to the surface except that in any well in which an intermediate casing string has been run and cemented to the surface, the production string may be cemented back into the base of the intermediate casing.

RULE 6. Injection shall be accomplished through plastic-lined tubing installed in a packer set within 100 feet of the uppermost perforation, or in case of an open hole completion, 100 feet above the casing shoe. The casing-tubing annulus in each injection well shall be filled with an inert fluid and a surface gauge or approved leak detection device shall be attached to the annulus.

RULE 7. The injection wells or system shall be equipped with a pressure control device or acceptable substitute which will limit the surface injection pressure to no more than 0.2 psi per foot of depth to the injection zone. The Division Director may administratively authorize a pressure limitation in excess of the above upon a showing by the Unit Operator that such higher pressure will not result in fracturing of the confining strata.

RULE 8. All wells within the unit area shall be equipped with risers or in some other acceptable manner so as to facilitate the periodic testing of the bradenhead for pressure or fluid production.

RULE 9. The Unit Operator shall immediately notify the Supervisor of the Hobbs District Office of the Division of the failure of the tubing or packer in any of the injection wells, the leakage of water or oil from or around any producing well, the leakage of water or oil from or around any plugged and abandoned well within the unit area, or any other evidence of fluid migration from the injection zone, and shall take such timely steps as may be necessary or required to correct such failure or leakage.

RULE 10. Each month the Unit Operator shall submit to the Division a Water Flood Project Operator's Report, on a form prescribed by the Division, outlining thereon the data required and requesting a project area allowable.

RULE 11. The Division shall, upon review of the report and after any adjustments deemed necessary, calculate the allowable

for the project area for the next succeeding month in accordance with these rules. The allowable so calculated shall be assigned to the unit area and may be produced from the wells in the project area in any proportion.

(5) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

R. L. STAMETS  
Director

S E A L

# EXHIBIT A

ORDER NO. R-\_\_\_\_\_

SECTION	WELL NAME	UNIT LETTER	LOCATION
13	Murphy Operating Corporation Bluitt Federal Well No. 1	I	1980 FSL & 660 FEL
13	Murphy Operating Corporation Bluitt Federal Well No. 3	O	660 FSL & 1980 FEL
13	Baetz Federal Well No. 1	G	1980 FNL & 1980 FEL
13	Baetz Federal Well No. 2	K	1980 FSL 7 1980 FWL



STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

**TONY ANAYA**  
**GOVERNOR**

January 9, 1986

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Mr. Calder Ezzell  
Hinkle, Cox, Eaton,  
Coffield & Hensley  
Attorneys at Law  
Post Office Box 2068  
Santa Fe, New Mexico

Re: CASE NO. 8780  
ORDER NO. R-8118

Applicant:

**Murphy Operating Corporation**

Dear Sir:

Enclosed herewith are two copies of the above-referenced Division order recently entered in the subject case.

Sincerely,

*B. L. Lamb*

R. L. STAMETS  
Director

RLS / fd

Copy of order also sent to:

Hobbs OCD	<u>x</u>
Artesia OCD	<u>x</u>
Aztec OCD	

Other \_\_\_\_\_