

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. 8246
Order No. R-7638

APPLICATION OF TRANS PECOS RESOURCES,
INC. FOR AUTHORITY TO INJECT PRODUCED
GAS FOR AN ENHANCED OIL RECOVERY PILOT
PROJECT, GUADALUPE COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on July 11, 1984, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 20th day of August, 1984, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Trans Pecos Resources, Inc., is the owner and operator of the Latigo Ranch, Blk "B" Well No. 2 located 1630 feet from the North line and 1904 feet from the West line (Unit F) of Section 6, Township 9 North, Range 24 East, and the Latigo Ranch BLK "A" Well No. 1 located 1980 feet from the North and East lines (Unit G) of Section 2, Township 9 North, Range 23 East, NMPM, Guadalupe County, New Mexico.
- (3) That said Well No. 2 is a wildcat gas well completed in the Pennsylvanian formation through perforations from 6742 feet to 6883 feet.
- (4) That said Well No. 1 is a wildcat oil well completed in the Pennsylvanian formation through perforations from 6165 feet to 6203 feet.
- (5) That the applicant proposes to initiate a pilot enhanced recovery project in said Well No. 1 by the injection of gas which has been produced from said Well No. 2, stripped of its liquids and transported to the injection site.

(6) That the dry gas will be injected in an attempt to achieve miscibility with and increase the mobility of the oil in the injection interval.

(7) That the ownership of the Pennsylvanian reserves under said Wells Nos. 1 and 2 is identical.

(8) That the proposed enhanced recovery project may result in the recovery of otherwise unrecoverable oil, thereby preventing waste.

(9) That the applicant should operate the said project so as to ensure that the injected gas enters only the proposed injection interval and is not permitted to escape to other formations.

(10) That the injection well and its injection system should be so equipped as to limit injection pressure at the wellhead to no more than 5,500 psig, but the Division Director should have the authority to increase that pressure limitation should circumstances warrant.

(11) That the operator should be allowed to inject volumes of dry natural gas at no more than 1 MMCF per day, but the Division Director should have the authority to increase said volume limitations should circumstances warrant.

(12) That the injection should be accomplished through a 2 7/8-inch tubing installed in a packer set at approximately 6,100 feet; that the casing tubing annulus should be filled with an inert fluid; and that a pressure gauge or approved leak detection device should be attached to the annulus in order to determine leakage in the casing, tubing, or packer.

(13) That the applicant should submit monthly reports of injection volumes, pressures, and production in a form acceptable to the Division as well as such other reports as may be required by the Director.

(14) That the subject application should be approved and the project should be governed by the provisions of this Order and of Rules 701 through 705 of the Division Rules and Regulations.

IT IS THEREFORE ORDERED:

(1) That the applicant, Trans Pecos Resources, Inc., is hereby authorized to institute a pilot enhanced project on its Latigo Ranch Lease by the injection of dry gas into the Pennsylvanian formation through its Latigo Ranch Block A Well

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No. 1 located in Unit F of Section 6, Township 9 North, Range 24 East, NMPM, Guadalupe County, New Mexico.

(2) That the injection shall be accomplished through a 2 7/8-inch internally coated tubing installed in a packer set at approximately 6,100 feet; that the casing tubing annulus shall be filled with an inert fluid; and that a pressure gauge or approved leak detection device shall be attached to the annulus in order to determine leakage in the casing, tubing or packer.

(3) That the operator shall immediately notify the supervisor of the Division's Santa Fe district office of the failure of the tubing or packer in said injection well, the leakage of gas, water or oil from or around any producing well, or the leakage of gas, water or oil from any plugged and abandoned well within the project area and shall take such timely steps as may be necessary or required to correct such failure or leakage.

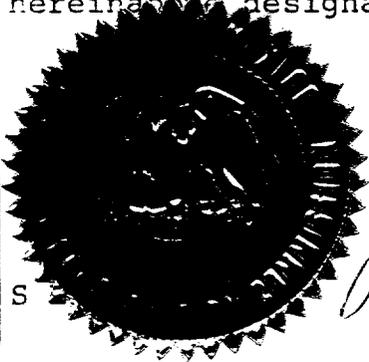
(4) That the injection well or injection system shall be so equipped as to limit injection pressure at the wellhead to no more than 5,500 psig and injection volume to no more than 1 MMCF per day, but the Division Director shall have the authority to increase that pressure limitation should circumstances warrant.

(5) That the subject project is hereby designated the Latigo Ranch Pilot Enhanced Recovery Project and shall be governed by the provisions of Rules 701 through 705 of the Division Rules and Regulations.

(6) That the applicant shall submit monthly reports of injection volumes, pressures and production in a form acceptable to the Division and such other reports as the Director may require.

(7) That 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

Joe D. Ramey
JOE D. RAMEY,
Director

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