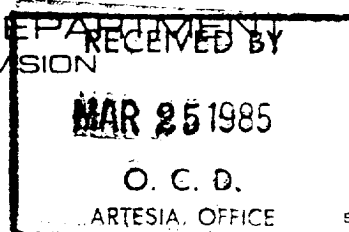




TONEY ANAYA
GOVERNOR

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

March 21, 1985



1935 - 1985

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APPLICATION OF YATES PETROLEUM CORPORATION
TO EXPAND ITS WATERFLOOD PROJECT IN THE
EAGLE CREEK SAN ANDRES POOL IN EDDY COUNTY,
NEW MEXICO.

ORDER No. WFX-541

ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION

Under the provisions of Order No. R-7354, Yates Petroleum Corporation has made application to the Division on February 7, 1985, for permission to expand its Yates Gissler "AV" Eagle Creek Pilot Waterflood Project in the Eagle Creek-San Andres Pool in Eddy County, New Mexico.

NOW, on this 14th day of March, 1985, the Division Director finds:

1. That application has been filed in due form.
2. That satisfactory information has been provided that all offset operators have been duly notified of the application.
3. That no objection has been received within the waiting period as prescribed by Rule 701B.
4. That the proposed injection well is eligible for conversion to water injection under the terms of Rule 701.
5. That the proposed expansion of the above referenced Pilot Waterflood project will not cause waste nor impair correlative rights.
6. That the application should be approved.

IT IS THEREFORE ORDERED:

That the applicant, Yates Petroleum Corporation, be and the same is hereby authorized to inject water into the San Andres formation through plastic-lined tubing set in a packer at a

maximum of 100 feet from the uppermost perforations in the following described well for purposes of waterflooding to wit:

Note Well List on the Attached Sheet.

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.

That 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.

That 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 0.2 psi per foot of depth to the uppermost injection interval. Note well list for specific pressures.

That 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 San Andres formation. That such proper showing shall consist of a valid step-rate test run in accordance with and acceptable to this office.


That the operator shall notify the supervisor of the Division's Artesia District Office before injection is commenced through said wells.

That the operator shall immediately notify the Supervisor of the Division's Artesia District Office of the failure of the tubing, casing, or packer in said wells or the leakage of water from or around said wells and shall take such steps as may be timely or necessary to correct such failure or leakage.

That the subject wells shall be governed by all provisions of Division Order No. R-7354 and Rules 702, 703, 704, 705, and 706 not inconsistent herewith.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


R. L. STAMETS, DIRECTOR