



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

TONEY ANAYA
GOVERNOR

October 29, 1983

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APPLICATION OF ARCO OIL AND GAS COMPANY
TO EXPAND ITS PRESSURE MAINTENANCE PROJECT
IN THE HORSESHOE-GALLUP POOL IN SAN JUAN
COUNTY, NEW MEXICO.

32-51-16
WATER GALLUP UNIT #3
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Amended
ORDER No. PMX-124

ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION

Under the provisions of Order No. R-1699, Arco Oil and Gas Company has made application to the Division on August 31, 1983 for permission to expand its Horseshoe Gallup Pool in San Juan County, New Mexico.

NOW, on this 29th day of October, 1983, 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 project will not cause waste nor impair correlative rights.
6. That the application should be approved.

IT IS THEREFORE ORDERED:

That the applicant, Arco Oil and Gas Company, be and the same is hereby authorized to inject water into Horseshoe-Gallup

formation through plastic-lined tubing set in a packer at approximately 1065, 1400, and 1346 feet, respectively, in the following described wells for purposes of pressure maintenance to wit:

Horseshoe Gallup Unit A Well No. 3,
1980' FNL and 1980' FWL of Sec. 32,
T-31N, R-16W, San Juan County, NM

Horseshoe Gallup Unit D Well No. 188
2035' FNL and 3280' FEL of Sec. 23,
T-31N, R-16W, San Juan County, NM

Horseshoe Gallup Unit A Well No. 109
660' FSL and 660' FEL of Sec. 24,
T-31N, R-17W, San Juan County, NM

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IT IS FURTHER ORDERED:

That the operator shall take all steps necessary to ensure that the injected water enters only the proposed injection intervals 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 wells or system shall be equipped with a pressure limiting device which will limit the wellhead pressure on the injection well to no more than 223, 281, and 278 psi, respectively for the wells previously listed.

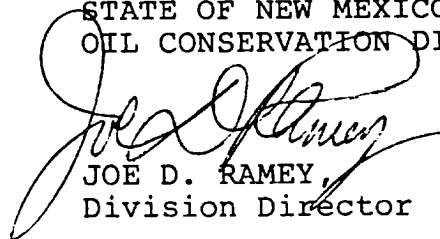
That the operator shall notify the supervisor of the Division's Aztec District Office before injection is commenced through said wells.

That the operator shall immediately notify the Supervisor of the Division's Aztec 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-1699 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



JOE D. RAMEY,
Division Director

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