

Entered May 22, 1980  
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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. 6883  
Order No. R-6352

APPLICATION OF AMOCO PRODUCTION  
COMPANY FOR A WATERFLOOD PROJECT,  
EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on May 7, 1980,  
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 22nd day of May, 1980, 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, Amoco Production Company, seeks  
authority to institute a waterflood project on its Old Indian  
Draw Unit Area, Indian Draw-Delaware Pool, by the injection of  
water into the Delaware formation through its Old Indian Draw  
Unit Well No. 4, located in Unit I of Section 18, and Well No.  
11 located in Unit A of Section 19, both in Township 22 South,  
Range 28 East, NMPM, Eddy County, New Mexico.
- (3) That the wells in the project area are in an advanced  
state of depletion and should properly be classified as "stripper"  
wells.
- (4) That the proposed waterflood project should result in  
the recovery of otherwise unrecoverable oil, thereby preventing  
waste.

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(5) That the 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.

(6) That injection into each of the wells described in Finding No. (2) above should be through internally coated tubing set in a packer, said packer being installed as near as is practicable to the uppermost perforation; that the casing-tubing annulus in each injection well should be loaded with an inert fluid and equipped with an approved pressure gauge or other attention-attracting leak detection device.

(7) That the injection wells or injection pressurization system should be so equipped as to limit injection pressure at the wellhead to no more than 750 psi, but the Division Director should have authority to increase said pressure limitation, should circumstances warrant.

(8) That the subject waterflood project should be known as the Amoco Indian Draw Waterflood Project.

(9) That the subject application should be approved and the project should be governed by the provisions of Rules 701, 702, and 703 of the Division Rules and Regulations.

IT IS THEREFORE ORDERED:

(1) That the applicant, Amoco Production Company, is hereby authorized to institute a waterflood project on its Old Indian Draw Unit Area, Indian Draw-Delaware Pool, by the injection of water into the Delaware formation through its Old Indian Draw Unit Well No. 4 located in Unit I of Section 18 and Well No. 11 located in Unit A of Section 19, both in Township 22 South, Range 28 East, NMPM, Eddy County, New Mexico.

(2) That injection into each of said wells shall be through internally coated tubing, set in a packer which shall be located as near as practicable to the uppermost perforation; that the casing-tubing annulus of each injection well shall be loaded with an inert fluid and equipped with an approved pressure gauge or attention-attracting leak detection device.

(3) That the operator shall immediately notify the supervisor of the Division's Artesia district office of the failure of the tubing or packer in any of said injection wells, the

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leakage of water or oil from or around any producing well, or the leakage of 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 wells herein authorized and/or the injection pressurization system shall be so equipped as to limit injection pressure at the wellhead to no more than 750 psi, provided however, that the Division Director may authorize a higher surface injection pressure upon satisfactory showing that such pressure will not result in fracturing of the confining strata.

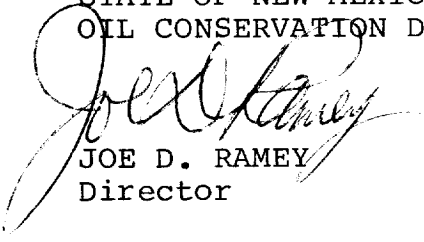
(5) That the subject waterflood project is hereby designated the Amoco Indian Draw Waterflood Project and shall be governed by the provisions of Rules 701, 702, and 703 of the Division Rules and Regulations.

(6) That monthly progress reports of the waterflood project herein authorized shall be submitted to the Division in accordance with Rule 704 of the Division Rules and Regulations.

(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  
Director

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