

Entered December 30, 1983

JAR

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. 8002
Order No. R-7422

APPLICATION OF McCLELLAN OIL CORPORATION
FOR A WATERFLOOD PROJECT, CHAVES COUNTY,
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on November 22, 1983, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 30th day of December, 1983, 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, McClellan Oil Corporation, seeks authority to institute a waterflood project on its Marlisue Queen Unit, Double-L Queen Pool, by the injection of water into the Queen formation in perforated intervals from 1850 feet to 1950 feet in a portion of Section 24, Township 14 South, Range 29 East, NMPM, Chaves County, New Mexico, containing 440 acres, more or less, through the following described unit wells:

<u>TRACT</u> <u>No.</u>	<u>WELL</u> <u>No.</u>	<u>FOOTAGE LOCATION</u>
* 1	2	2165' from South line and 1550' from West line;
2	7	1155' from North line and 2145' from East line;
* 2	8	1590' from North line and 1870' from West line;
* 2	9	1560' from South line and 2500' from West line;
* 2	10	2620' from North line and 2075' from East line;

*Wells to be drilled

-2-

Case No. 8002

Order No. R-7422

(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.

(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 the injection wells or injection pressurization system should be so equipped as to limit injection pressure at the wellhead to no more than 0.2 psi, at the surface, per foot of depth to the uppermost perforation, but the Division Director should have authority to increase said pressure limitation, should circumstances warrant.

(7) That the applicant further seeks the approval of the unorthodox locations for the four wells to be drilled as injection wells, all at locations as described in Finding No. (2) above.

(8) That the affected offset operator has waived objection to said unorthodox locations.

(9) That such unorthodox locations will permit the more efficient and effective operation of the waterflood and should be approved.

(10) That the subject application should be approved and the project should be governed by the provisions of Rules 702 through 708 of the Division Rules and Regulations.

IT IS THEREFORE ORDERED:

(1) That the applicant, McClellan Oil Corporation, is hereby authorized to institute a waterflood project on its Marlisue Queen Unit, Double L-Queen Pool, by the injection of water into the perforated interval ranging from 1850 feet to 1950 feet in the following described unit wells located or to be drilled in Section 24, Township 14 South, Range 29 East, Chaves County, New Mexico:

<u>TRACT NO.</u>	<u>WELL NO.</u>	<u>FOOTAGE LOCATION</u>
* 1	2	2165' from South line and 1550' from West line;
2	7	1155' from North line and 2145' from East line;
* 2	8	1590' from North line and 1870' from West line;
* 2	9	1560' from South line and 2500' from West line;
* 2	10	2620' from North line and 2075' from East line

*Wells to be drilled

(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 leakage of water or oil from 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 0.2 psi per foot of depth to the uppermost perforations therein, provided however, 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 Marlisue Queen Unit Waterflood Project and shall be governed by the provisions of Rules 701 through 708 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 Rules 706 and 1115 of the Division Rules and Regulations.

(7) That the unorthodox locations of Unit Wells Tract 1 Well No. 2 and Tract 2 Wells Nos. 8, 9, and 10, as described in Paragraph 2 of this order, are hereby approved.

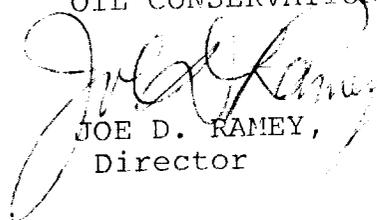
(8) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

-4-

Case No. 8002
Order No. R-7422

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



JOE D. RAMEY,
Director

S E A L