



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop
Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

ADMINISTRATIVE ORDER NO. WFX-797

APPLICATION OF CHEVRONTEXACO TO EXPAND ITS ENHANCED OIL TERTIARY RECOVERY PROJECT IN THE VACUUM GRAYBURG-SAN ANDRES POOL IN LEA COUNTY, NEW MEXICO

ADMINISTRATIVE ORDER OF THE OIL CONSERVATION DIVISION

Under the provisions of Division Order No. R-4442, as amended, ChevronTexaco has made application to the Division on December 1, 2003 for permission to expand its Vacuum Grayburg San Andres Unit Enhanced Oil Tertiary Recovery Project in the Vacuum Grayburg-San Andres Pool in Lea County, New Mexico.

THE DIVISION DIRECTOR FINDS THAT:

- (1) The application was filed in due form.
- (2) Satisfactory information was provided that all offset operators have been duly notified of the application.
- (3) No objection has been received within the waiting period as prescribed by Rule 701(B).
- (4) The proposed injection well is eligible for conversion to injection under the terms of Rule 701.
- (5) The proposed expansion of the above referenced enhanced oil tertiary recovery project will not cause waste nor impair correlative rights.

IT IS THEREFORE ORDERED THAT:

The applicant, ChevronTexaco, is hereby authorized to inject water into the Grayburg-San Andres formation, Vacuum Grayburg-San Andres Pool, through the perforated interval from approximately 4,366 feet to 4,448 feet using 2-3/8-inch plastic lined tubing set in a packer located at a depth of approximately 4,311 feet in the following described well for purposes of tertiary recovery to wit:

Vacuum Grayburg San Andres Unit Well No. 233 (API No. 30-025-36355)
2630' FSL & 660' FWL (Unit L) Section 1, Township 18 South, Range 34 East;
Injection Interval: Perforated 4,366 feet to 4,448 feet
Maximum Surface Injection Pressure: 1,450 psi

IT IS FURTHER ORDERED THAT:

Prior to commencing injection operations into the Vacuum Grayburg San Andres Unit Well No. 233, the applicant shall plug and abandon the Vacuum Grayburg San Andres Unit Well No. 211 (API No. 30-025-35687) located 710 feet from the South line and 1280 feet from the West line (Unit M) of Section 1, Township 18 South, Range 34 East, NMPM, Lea County, New Mexico, in a manner that is acceptable to the supervisor of the Division's Hobbs District Office.

Subsequent to the completion of plugging operations on the VGSAU Well No. 211, the applicant shall submit documentation to the Santa Fe Office of the Division verifying that this work has been completed. This documentation shall be in the form of a cover letter addressed to the Engineering Bureau complete with all applicable Form C-103's (Sundry Notices). Failure to comply with this directive may result in the cancellation of injection authority.

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.

Prior to commencing injection operations into the well, the casing shall be pressure tested from the surface to the packer setting depth to assure the integrity of said casing.

The casing-tubing annulus 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.

The injection well or system shall be equipped with a pressure limiting device which will limit the wellhead pressure to 1,450 psi.

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 Vacuum Grayburg-San Andres Pool. Such proper showing shall consist of a valid step-rate test run in accordance with and acceptable to this office.

The operator shall notify the supervisor of the Hobbs district office of the Division of the date

and time: i) plugging operations will be conducted on the VGSAU Well No. 211; ii) of the installation of injection equipment in the injection well; and iii) of the mechanical integrity test so that these operations may be inspected and witnessed.

The operator shall immediately notify the supervisor of the Hobbs District Office of the Division of the failure of the tubing, casing or packer in said well and shall take such steps as may be timely and necessary to correct such failure or leakage.

The subject well shall be governed by all provisions of Division Order No. R-4442, as amended, and Rules 702-706 of the Division Rules and Regulations not inconsistent herewith.

PROVIDED FURTHER THAT, jurisdiction is retained by the Division for the entry of such further orders as may be necessary for the prevention of waste and/or protection of correlative rights or upon failure of the operator to conduct operations (1) to protect fresh water or (2) consistent with the requirements in this order, whereupon the Division may, after notice and hearing, terminate the injection authority granted herein.

The injection authority granted herein shall terminate one year after the effective date of this order if the operator has not commenced injection operations into the subject well, provided however, the Division, upon written request by the operator, may grant an extension thereof for good cause shown.

DONE at Santa Fe, New Mexico, on this 12th day of January, 2004.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



LORI WROTENBERY
Director

SEAL

LW/DRC

cc: Oil Conservation Division – Hobbs
Case File No. 12592