

BRUCE KING
GOVERNOR
LARRY KEHOE
SECRETARY

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-2434

March 13, 1979

Stallworth Oil & Gas, Inc.
P. O. Box 479
Dallas, Texas 75221

Attention: Murray E. Helmers

Re: Etz Well No. 3 J, 25-16S-30 E,
Square Lake Pool, Eddy County,
New Mexico - WFX No. 473

Dear Mr. Helmers:

Enclosed please find Division Administrative Order No. WFX-473 authorizing the conversion of the subject well to water injection. Prior to conversion of the subject well Stallworth Oil and Gas may wish to consider the following matters:

- (1) There are a number of apparently poorly plugged or completed wells in the vicinity of the subject well which might serve to permit injected water to escape from the injection zone to other strata.
- (2) The Division and the U. S. Geological Survey are currently conducting extensive surveys in Eddy County to determine where such leakage may be occurring around waterflood projects and salt water disposal wells.
- (3) Where such leakage is found injectors may be faced with the alternative of either repairing the poorly plugged or completed wells in the vicinity or shutting down injection operations.

Personnel from our Artesia district office have made a preliminary visual inspection in the area of the subject well and saw no obvious signs of leakage, therefore, this well is being approved for injection. Should the later more extensive survey show leakage is occurring you will probably be faced with a decision as outlined in Item (3) above.

Very truly yours,

JOE D. RAMEY
Division Director

JDR/RLS/og

APPLICATION OF STALLWORTH OIL & GAS, INC.
TO EXPAND ITS WATER FLOOD PROJECT IN THE
SQUARE LAKE POOL IN EDDY COUNTY, NEW MEXICO.

ORDER WFX NO. 473

ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION

Under the provisions of Order No. R-2977, Stallworth Oil & Gas, Inc. has made application to the Division on March 2, 1979, for permission to expand its Square Lake Grayburg-San Andres Waterflood Project in the Square Lake Pool in Eddy County, New Mexico.

NOW, on this 13th day of March, 1979, 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 Order No. R-2977.
4. That the proposed injection well is eligible for conversion to water injection under the terms of Order No. R-2977.
5. That the proposed expansion of the above referenced water flood project will not cause waste nor impair correlative rights.
6. That the application should be approved.

IT IS THEREFORE ORDERED:

That the applicant, Stallworth Oil & Gas, Inc., be and the same is hereby authorized to inject water into the Grayburg and San Andres formations through plastic-lined tubing set in a packer at approximately 2975 feet in the following described well for purposes of secondary recovery, to wit:

Etz Well No. 3 located in Unit J of Section 25,
Township 16 South, Range 30 East, NMPM, Eddy
County, New Mexico.

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 shall be loaded with an inert fluid and equipped with a pressure gauge at the surface of left open to the atmosphere to facilitate detection of leakage in the casing, tubing, or packer.

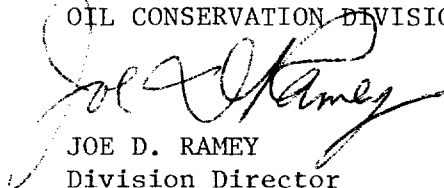
That the injection well or system shall be equipped with a pop-off valve or device which will limit the wellhead pressure of a maximum of 595 pounds per square inch; provided however that the Division Director may administratively authorize a pressure limitation in excess of the above upon the operator's establishing that such higher pressure will not result in fracturing of confining strata.

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

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 well or the leakage of water from or around said well and shall take such steps as may be timely or necessary to correct such failure or leakage.

DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



JOE D. RAMEY
Division Director

SEAL