

APPLICATION OF CAPITAL OIL AND
GAS CORPORATION TO EXPAND ITS
WATERFLOOD PROJECT IN THE MIGUEL
CREEK-GALLUP POOL IN MCKINLEY COUNTY,
NEW MEXICO.

ORDER No. WFX- 506

ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION

Under the provisions of Order No. R-4875, Capital Oil and Gas Corporation has made application to the Division on February 14, 1983 for permission to expand its Northern Minerals McKinley Gallup Waterflood Project in the Miguel Creek Gallup Pool in McKinley County, New Mexico.

NOW, on this 15th day of February, 1983, the Division Director finds:

1. That application has been filed in due form.
2. That satisfactory information has been provided that there are no offset operators to be notified of the application.
3. That the proposed injection well is eligible for conversion to water injection under the terms of Order No. R-4875.
4. That the proposed expansion of the above referenced waterflood project will not cause waste nor impair correlative rights.
5. That the application should be approved.

IT IS THEREFORE ORDERED:

That the applicant, Capital Oil and Gas Corporation, be and the same is hereby authorized to inject water into the Gallup formation from 804 feet to 809 feet through 2 3/8-inch tubing set in a packer at approximately 525 feet in the following described well for purposes of secondary recovery to wit:

The Santa Fe Pacific Railroad Well No. 82 located 1980 feet from the South line and 1340 feet from the West line of

Section 21, Township 16 North, Range 6 West, NMPM, McKinley 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 in the well shall be loaded with an inert fluid and equipped with a pressure guage at the surface or 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 pressure limiting device which will limit the wellhead pressure to a maximum of 160 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 the confining strata.

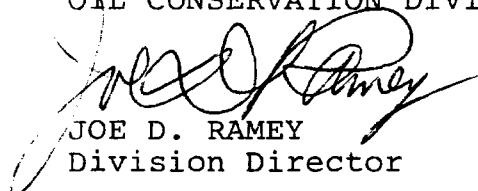
That the operator shall notify the supervisor of the Division's Aztec District Office before injection is commenced through said well.

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 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.

That the subject well shall be governed by all provisions of Division Order No. R-4875 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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