



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

TONEY ANAYA
GOVERNOR

June 21, 1985

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APPLICATION OF SHELL WESTERN E & P INC.
TO EXPAND ITS WATERFLOOD PROJECT IN THE
PENROSE-SKELLY POOL IN LEA COUNTY,
NEW MEXICO.

ORDER No. WFX-547

ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION

Under the provisions of Order No. R-2794, Shell Western E & P Inc. has made application to the Division on April 30, 1985, for permission to expand its South Penrose Skelly Unit Waterflood Project in the Penrose-Skelly Pool in Lea County, New Mexico.

NOW, on this 13th day of June, 1985, 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 Rule 701B.
4. That the proposed injection well is eligible for conversion to water injection under the terms of Rule 701.
5. That the proposed expansion of the above referenced waterflood project will not cause waste nor impair correlative rights.
6. That the application should be approved.

IT IS THEREFORE ORDERED:

That the applicant, Shell Western E & P Inc., be and the same is hereby authorized to inject water into the Grayburg formation through plastic-lined tubing set in a packer at approximately 3600 feet in the following described well for purposes of waterflooding to wit:

Shell Western Grizzell No. 11, 1300' FSL and 1139' FEL
Unit P, Sec. 8, T-22-S, R-37-E, Lea County

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 each well) 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.

That the injection well or system shall be equipped with a pressure limiting device which will limit the wellhead pressure on the injection well to no more than 732 psi.

That 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 Grayburg formation. That such proper showing shall consist of a valid step-rate test run in accordance with and acceptable to this office.

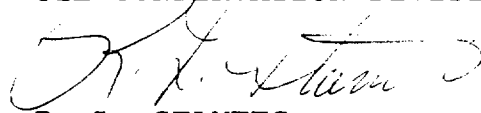
That the operator shall notify the supervisor of the Division's Hobbs District Office before injection is commenced through said perforations.

That the operator shall immediately notify the Supervisor of the Division's Hobbs District Office of the failure of the tubing, casing, or packer in said or the leakage of water from or around said wellbore and shall take such steps as may be timely or necessary to correct such failure or leakage.

That the subject injection well shall be governed by all provisions of Division Order No. R-2794 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


R. L. STAMETS,
Director

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