

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

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ADMINISTRATIVE ORDER NO. WFX-604

APPLICATION OF BURNETT OIL COMPANY, INC. TO EXPAND ITS WATERFLOOD PROJECT IN THE GRAYBURG JACKSON SEVEN RIVERS QUEEN GRAYBURG SAN ANDRES POOL IN EDDY COUNTY, NEW MEXICO

**ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION**

Under the provisions of Division Order No. R-4676, Burnett Oil Company, Inc. has made application to the Division on November 21, 1990 for permission to expand its Gissler B-11 Waterflood Project in the Grayburg Jackson Seven Rivers Queen Grayburg San Andres Pool in Eddy County, New Mexico.

NOW, on this 12th day of February, 1991, the Division Director finds that:

- (1) The application has been filed in due form.
- (2) Satisfactory information has been 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 wells are eligible for conversion to water injection under the terms of Rule 701.
- (5) The proposed expansion of the above-referenced waterflood project will not cause waste nor impair correlative rights.
- (6) The application should be approved.

IT IS THEREFORE ORDERED THAT:

The applicant, Burnett Oil Company, Inc., be and the same is hereby authorized to inject water into the Seven Rivers-Queen-Grayburg-San Andres formation at approximately 2786 feet to approximately 3513 feet through 2 3/8-inch plastic lined tubing set in a packer located approximately 100 feet above the uppermost injection perforation in the wells shown

on Exhibit "A" attached hereto for purposes of secondary recovery.

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.

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

Prior to commencing injection operations into any injection well located within ½-mile of the Grayburg-Jackson San Andres Unit Well No. 39 located 1750' FSL & 2150' FWL (Unit K) of Section 14, Township 17 South, Range 30 East, NMPM, said well shall be repaired or plugged and abandoned in a manner satisfactory to the supervisor of the Artesia District Office of the Division.

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.

The injection wells or system shall be equipped with a pressure limiting device which will limit the wellhead pressure on the injection wells to no more than that shown on Exhibit "A".

The Director of the Division may authorize an increase in injection pressure upon a proper showing by the operator of said wells that such higher pressure will not result in migration of the injected fluid from the Seven Rivers-Queen-Grayburg-San Andres formation. 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 Artesia district office of the Division of the date and time of the installation of injection equipment, of repair or plugging operation on the above-described well and of the mechanical integrity tests so that the same may be inspected and witnessed.

The operator shall immediately notify the supervisor of the Artesia district office of the Division of the failure of the tubing, casing or packer in said wells and shall take such steps as may be timely and necessary to correct such failure or leakage.

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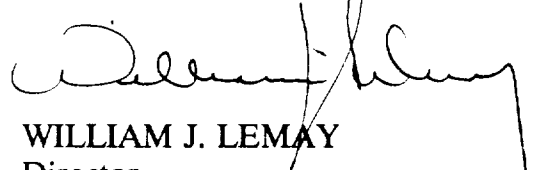
The subject wells shall be governed by all provisions of Division Order No. R-4676 and Rules 701-708 of the Division Rules and Regulations not inconsistent herewith.

PROVIDED FURTHER THAT, jurisdiction of this cause is hereby retained by the Division for the entry of such further order or orders as may be deemed necessary or convenient for the prevention of waste and/or protection of correlative rights; upon failure of the operator to conduct operations in a manner which will ensure the protection of fresh water or in a manner inconsistent with the requirements set forth in this order, the Division may, after notice and hearing, terminate the injection authority granted herein.

The operator shall submit monthly progress reports of the project in accordance with Rules 706 and 1115 of the Division Rules and Regulations.

Approved at Santa Fe, New Mexico, on this 12th day of February, 1991.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY
Director

S E A L

cc: Oil Conservation Division - Artesia
R. Brown

EXHIBIT "A"
BURNETT OIL COMPANY, INC.
GISSLER B-11 WATERFLOOD PROJECT
INJECTION WELLS
ADMINISTRATIVE ORDER WFX-604

<i>Well Number</i>	<i>Location</i>	<i>Unit</i>	<i>S-T-R</i>	<i>Injection Perforations</i>	<i>Packer Depth</i>	<i>Tubing Size</i>	<i>Injection Pressure</i>
Gissler "B" No. 16	1980' FSL & 660' FWL	L	11-17S-30E	2863' - 3122'	2813'	2-3/8	573 PSIG
Gissler "B" No. 18	1980'FSL & 1980' FEL	J	11-17S-30E	2982' - 3468'	2932'	2-3/8	596 PSIG
Gissler "B" No. 21	1980' FNL - 1980' FWL	F	12-17S-30E	2896' - 3463'	2846'	2-3/8	579 PSIG
Gissler "B" No. 22	660' FSL - 1880' FWL	N	11-17S-30E	2903' - 3513'	2853'	2-3/8	581 PSIG
Gissler "B" No. 23	660' FNL - 660' FWL	D	14-17S-30E	2827' - 3430'	2777'	2-3/8	565 PSIG
Gissler "B" No. 26	1980' FNL - 1980' FWL	F	14-17S-30E	2786' - 2891'	2736'	2-3/8	557 PSIG
Gissler "B" No. 27	1980' FSL - 685' FWL	L	12-17S-30E	2981' - 3031'	2931'	2-3/8	596 PSIG