



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

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GOVERNOR

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SANTA FE, NEW MEXICO 87504
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ADMINISTRATIVE ORDER NO. WFX-613

*APPLICATION OF PYRAMID ENERGY, INC. TO EXPAND ITS WATERFLOOD
PROJECT IN THE PEARL QUEEN POOL IN LEA COUNTY, NEW MEXICO*

ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION

Under the provisions of Division Order No. R-2729, Pyramid Energy, Inc. has made application to the Division on August 16, 1991, for permission to expand its West Pearl Queen Unit Waterflood Project in the Pearl Queen Pool in Lea County, New Mexico.

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, Pyramid Energy, Inc., be and the same is hereby authorized to inject water into the Queen formation at approximately 4718 feet to approximately 5036 feet through 2 3/8 inch plastic lined tubing set in a packer located within 100 feet of the uppermost injection perforations in the wells shown on Exhibit "A" attached hereto for purposes of secondary recovery to wit.

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.

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 .2 psi/ft. of depth to the uppermost perforation, as 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 Queen 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 Hobbs district office of the Division of the date and time of the installation of injection equipment and of the mechanical integrity tests so that the same 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 wells and shall take such steps as may be timely and necessary to correct such failure or leakage.

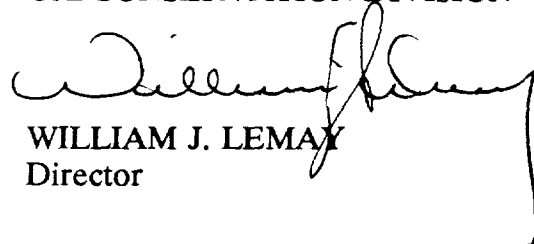
The subject wells shall be governed by all provisions of Division Order No. R-2729 and Rules 702-706 of the Division Rules and Regulations not inconsistent herewith.

Administrative Order WFX-613
Pyramid Energy, Inc.
September 18, 1991
Page 3

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.

Approved at Santa Fe, New Mexico, on this 18th day of September, 1991.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



WILLIAM J. LEMAY
Director

S E A L

cc: Oil Conservation Division - Hobbs

EXHIBIT "A"
DIVISION ORDER NO. WFX-613
WEST PEARL QUEEN UNIT WATERFLOOD PROJECT
APPROVED INJECTION WELLS

Well Number	Location	Unit	S-T-R	Injection Perforations	Packer Depth	Tubing Size	Injection Pressure
WPQU No. 109	1580' FNL & 660' FWL	E	28-19S-35E	4734' - 4968'	4700'	2 3/8"	947 PSIG
WPQU No. 110	1980' FNL & 660' FEL	H	29-19S-35E	4770' - 4912'	4700'	2 3/8"	954 PSIG
WPQU No. 119	1980' FSL & 660' FEL	I	29-19S-35E	4752' - 4998'	4700'	2 3/8"	950 PSIG
WPQU No. 121	1980' FSL & 1980' FWL	K	28-19S-35E	4718' - 4857'	4675'	2 3/8"	944 PSIG
WPQU No. 123	990' FSL & 660' FEL	P	28-19S-35E	4720' - 4916'	4675'	2 3/8"	944 PSIG
WPQU No. 124	660' FSL & 1980' FEL	O	28-19S-35E	4730' - 4939'	4700'	2 3/8"	946 PSIG
WPQU No. 126	660' FSL & 660' FWL	M	28-19S-35E	4728' - 4957'	4700'	2 3/8"	946 PSIG
WPQU No. 128	660' FSL & 1980' FEL	O	29-19S-35E	4764' - 5011'	4740'	2 3/8"	953 PSIG
WPQU No. 138	660' FNL & 1980' FEL	B	32-19S-35E	4774' - 5021'	4750'	2 3/8"	955 PSIG
WPQU No. 139	660' FNL & 660' FEL	A	32-19S-35E	4772' - 5019'	4725'	2 3/8"	954 PSIG
WPQU No. 141	660' FNL & 1980' FWL	C	33-19S-35E	4758' - 4996'	4725'	2 3/8"	952 PSIG
WPQU No. 143	660' FNL & 660' FEL	A	33-19S-35E	4735' - 4870'	4700'	2 3/8"	947 PSIG
WPQU No. 145	1980' FNL & 1980' FEL	G	33-19S-35E	4755' - 5028'	4700'	2 3/8"	951 PSIG
WPQU No. 147	1980' FNL & 660' FWL	E	33-19S-35E	4748' - 5036'	4700'	2 3/8"	950 PSIG
WPQU No. 149	1980' FNL & 1980' FEL	G	32-19S-35E	4789' - 5020'	4750'	2 3/8"	958 PSIG