STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

FREF

ANITA LOCKWOOD CABINET SECRETARY POST OFFICE BOX 2088 STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO 87504 (505) 827-5800

ADMINISTRATIVE ORDER NO. WFX-638

APPLICATION OF TEXACO EXPLORATION AND PRODUCTION, INC. TO EXPAND ITS WATERFLOOD PROJECT IN THE PADUCA-DELAWARE POOL IN LEA COUNTY, NEW MEXICO

ADMINISTRATIVE ORDER OF THE OIL CONSERVATION DIVISION

Under the provisions of Division Order Nos. R-3314 and R-3914, Texaco Exploration and Production, Inc. has made application to the Division on November 9, 1992 for permission to expand its Cotton Draw Unit Waterflood Project in the Paduca-Delaware 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 injection under the terms of Rule 701.

(5) The proposed expansion of the above referenced Cotton Draw Unit Waterflood Project will not cause waste nor impair correlative rights.

(6) The application should be approved.



Administrative Order WFX-638 Texaco Exploration and Production, Inc. December 9, 1992 Page 2

IT IS THEREFORE ORDERED THAT:

The applicant, Texaco Exploration and Production, Inc., be and the same is hereby authorized to inject water into the Delaware formation at approximately 4586 feet to approximately 4744 feet through 2 3/8-inch plastic lined tubing set in a packer located within 100 feet of 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 well, the casing shall be pressure tested from the surface to the packer setting depth to assure the integrity of said casing.

The casing-tubing annulus 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.

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 Delaware 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 Nos. R-3314 and R-3914 and Rules 702-706 of the Division Rules and Regulations not inconsistent herewith.

Administrative Order WFX-638 Texaco Exploration and Production, Inc. December 9, 1992 Page 3

<u>PROVIDED FURTHER THAT</u>, 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.

DONE at Santa Fe, New Mexico, on this 9th day of December, 1992.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

WILLIAM J. LEMAN Director

SEAL

cc: Oil Conservation Division - Hobbs

EXHIBIT "A" DIVISION ORDER NO. WFX-638 COTTON DRAW UNIT WATERFLOOD PROJECT APPROVED INJECTION WELLS

CDU Well No.	Location	Unit	S-T-R	Injection Perforations	Packer Depth	Tubing Size	Injection Pressure (PSIG)
2	1980' FN & WL	F	15-25S-32E	4674' - 4744'	4579'	2 3/8"	935
3	1980' FNL & 660' FEL	Н	16-25S-32E	4663' - 4700'	4604'	2 3/8"	933
11	660' FSL & 1980' FWL	N	15-25S-32E	4674' - 4700'	4654'	2 3/8"	935
19	660' FSL & 1980' FWL	N	10-25S-32E	4704' - 4722'	4654'	2 3/8"	941
26	1980' FNL & 660' FEL	Н	21-25S-32E	4632' - 4663'	4579'	2 3/8"	926
30	1980' FN & WL	F	21-25S-32E	4586' - 4642'	4529'	2 3/8"	917

ALL WELLS IN LEA COUNTY, NEW MEXICO.