



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



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

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

ADMINISTRATIVE ORDER NO. WFX-643

***APPLICATION OF OXY USA, INC. TO EXPAND ITS SKELLY PENROSE "B" UNIT
WATERFLOOD PROJECT IN THE LANGLIE-MATTIX POOL, LEA COUNTY, NEW MEXICO***

**ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION**

Under the provisions of Division Order No. R-2956, OXY USA, Inc. has made application to the Division on April 19, 1993 for permission to expand its Skelly Penrose "B" Unit Waterflood Project in the Langlie-Mattix 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 Skelly Penrose "B" Unit Waterflood Project will not cause waste nor impair correlative rights.
- (6) The application should be approved.

IT IS THEREFORE ORDERED THAT:

The applicant, OXY USA, Inc., be and the same is hereby authorized to inject water into the Queen (Penrose) formation at approximately 3505 feet to approximately 3744 feet through 2 3/8-inch plastic lined tubing set in a packer located within 100 feet of the uppermost injection perforations in the following described wells for purposes of secondary recovery as shown on Exhibit "A" attached hereto.

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. of depth to the uppermost injection perforation.

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 (Penrose) 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-2956, as amended and Rules 702-706 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.

Administrative Order WFX-643

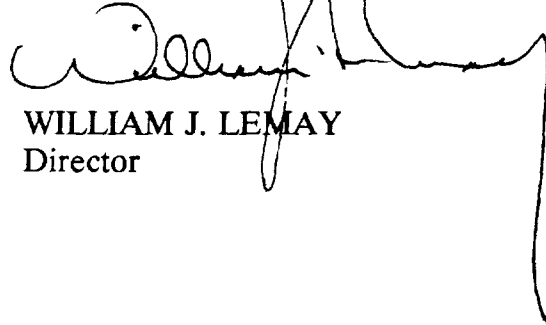
OXY USA, Inc.

June 10, 1993

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DONE at Santa Fe, New Mexico, on this 10th day of June, 1993.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

A handwritten signature in black ink, appearing to read "William J. Lemay", is written over the printed name and title.

WILLIAM J. LEMAY
Director

S E A L

cc: Oil Conservation Division - Hobbs

EXHIBIT "A"
DIVISION ORDER NO. WFX-643
SKELLY PENROSE "B" UNIT WATERFLOOD PROJECT
APPROVED INJECTION WELLS
ALL IN LEA COUNTY, NEW MEXICO

<i>Well No.</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 (PS'G)</i>
18	660' FNL - 660' FEL	A	5-23S-37E	3614' - 3744'	3550'	2 3/8"	723
26	1980' FNL - 990' FEL	H	5-23S-37E	3659' - 3768'	3600'	2 3/8"	722
28	1980' FSL - 1980' FEL	G	5-23S-37E	3638' - 3724'	3050'	2 3/8"	726
30	1980' FNL - 660' FWL	E	5-23S-37E	3505' - 3666' (open hole)	3450'	2 3/8"	701
31	1980' FSL - 660' FEL	I	5-23S-37E	3580' - 3698'	3500'	2 3/8"	716
33	1980' FSL - 1980' FWL	K	5-23S-37E	3610' - 3719'	3550'	2 3/8"	722
37	660' FSL - 660' FWL	M	5-23S-37E	3606' - 3730'	3550'	2 3/8"	721
39	660' FSL - 1980' FEL	O	5-23S-37E	3554' - 3685'	3500'	2 3/8"	711
44	660' FNL - 1980' FWL	C	5-23S-37E	3544' - 3655'	3500'	2 3/8"	709

CORRECTED EXHIBIT "A"
DIVISION ORDER NO. WFX-643
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2nd CORRECTION - EXHIBIT "A"
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ALL IN LEA COUNTY, NEW MEXICO

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