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APPLICATION OF PHILLIPS PETROLEUM COMPANY TO EXPAND ITS PRESSURE MAINTENANCE PROJECT IN THE VACUUM GRAYBURG-SAN ANDRES POOL IN LEA COUNTY, NEW MEXICO.

ORDER No. PMX-113

ADMINISTRATIVE ORDER OF THE OIL CONSERVATION DIVISION

Under the provisions of Order No. R-5897, Phillips Petroleum Company has made application to the Division on October 14, 1981, for permission to expand its East Vacuum Grayburg-San Andres Unit Pressure Maintenance Project in the Vacuum Grayburg-San Andres Pool in Lea County, New Mexico.

NOW, on this <u>16th</u> day of November, 1981, 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 Order No. R-5897.

4. That the proposed injection well is eligible for conversion to water injection under the terms of Order No. R-5897.

5. That the proposed expansion of the above referenced pressure maintenance project will not cause waste nor impair correlative rights.

6. That the application should be approved.

IT IS THEREFORE ORDERED:

That the applicant, Phillips Petroleum Company, be and the same is hereby authorized to inject water into the San Andres formation through tubing which is protected from corrosion by a non-reactive internal lining or coating and installed in a packer set within 100 feet of the uppermost perforation in the following described wells for purposes of pressure maintenance to wit:

East Vacuum Grayburg-San Andres Unit;

Tract 1903, Well No. 004, Unit M, Section 19, Tract 1904, Well No. 003, Unit N, Section 19, Tract 1910, Well No. 004, Unit P, Section 19, Tract 1912, Well No. 004, Unit I, Section 19 Tract 1953, Well No. 002, Unit G, Section 19, Tract 1978, Well No. 002, Unit D, Section 19, Tract 2060, Well No. 001, Unit K, Section 20, Tract 2944, Well No. 002, Unit B, Section 29, and Tract 2980, Well No. 003, Unit F, Section 29, all in Township 17 South, Range 35 East, and

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Tract 2416, Well No. 002, Unit I, Section 24, Tract 2437, Well No. 003, Unit O, Section 24

both in Township 17 South, Range 34 East, NMPM, Lea County, New Mexico.

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 approved leak detection device shall be attached to the annulus.

That the injection wells or system shall be equipped with a pressure limiting device which will limit the wellhead pressure to a maximum of 900 pounds per square inch; provided however that the Division Director may administratively authorize a pressure limitation in excess of the above upon the operator's establishing that such higher pressure will not result in fracturing of the confining strata.

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

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 wells or the leakage of water from or around said wells and shall take such steps as may be timely or necessary to correct such failure or leakage.

That the subject wells shall be governed by all provisions of Division Order No. R-5897 not inconsistent herewith.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

JOE D. RAMEY, Division Director

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