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February 5, 1985

APPLICATION OF AMOCO PRODUCTION COMPANY TO EXPAND ITS PRESSURE MAINTENANCE PROJECT IN THE HOBBS GRAYBURG-SAN ANDRES POOL IN LEA COUNTY, NEW MEXICO

ORDER NO. PMX-134

ADMINISTRATIVE ORDER OF THE OIL CONSERVATION DIVISION

Under the provisions of Order No. 4934, Amoco Production Company has made application to the Division on January 16, 1985 for permission to expand its South Hobbs (GSA) Unit Pressure Maintenance Project in the Hobbs Grayburg-San Andres Pool in Lea County, New Mexico.

NOW, on this <u>5th</u> day of February, 1985, 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 Rule 701B.

4. That the proposed injection well is eligible for conversion to water injection under the terms of Rule 701.

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, Amoco Production Company, be and the same is hereby authorized to inject water into the Grayburg and San Andres formations through plastic-lined tubing set in a packer at a maximum of 100 feet above the uppermost perforations in the following described wells for purposes of Pressure Maintenance to wit:

SOUTH HOBBS (GRAYBURG-SAN ANDRES) UNIT PRESSURE MAINTENANCE PROJECT EXPANSION

SOUTH HOBBS (GSA) WELL NOS AND LOCATIONS	MAXIMUM SURFACE INJECTION PRESSURE
Well No. 51 Unit Letter N, Section 5, T-19S, R-38E, Lea County, NM	796 PSIG
Well No. 127 Unit Letter L, Section 34, T-18S, R-38E, Lea County, NM	839 PSIG
Well No. 128 Unit Letter D, Section 3, T-19S, R-38E, Lea County, NM	827 PSIG
Well No. 129 Unit Letter M, Section 34, T-18S, R-38E, Lea County, NM	829 PSIG
Well No. 187 Unit Letter J, Section 5, T-19S, R-38E, Lea County, NM	799 PSIG
Well No. 192 Unit Letter O, Section 5, T-19S, R-38E, Lea County, NM	826 PSIG

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 left open to the atmosphere to facilitate detection of leakage in the casing, tubing, or packer. That the injection well or system shall be equipped with a pressure limiting device which will limit the wellhead pressure on the injection well to no more than 0.2 psi per foot of depth to the uppermost injection point (Note list of wells for specific limits).

That the Director of the Division may authorize an increase in injection pressure upon a proper showing by the operator of said well that such higher pressure will not result in migration of the injected fluid from the Grayburg and San Andres formations. That such proper showing shall consist of a valid step-rate test run in accordance with and acceptable to this office.

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-4934 and Rules 702, 703, 704, 705, and 706 not inconsistent herewith.

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

STATE OF NEW MEXICO OIL CONSERVATION DIVISION

R. L. STAMETS, Division Director

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