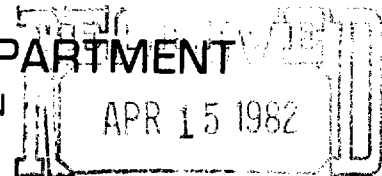




BRUCE KING
GOVERNOR
LARRY KEHOE
SECRETARY

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

April 12, 1982



OIL CONSERVATION DIVISION
SANTA FE
P.O. BOX 1980
HOBBS, NEW MEXICO 88240
(505) 393-6161

Mr. Oscar A. Simpson III
Water Resource Specialist
Oil Conservation Division
P. O. Box 2038
Santa Fe, New Mexico 87501

Re: Reclassification of Wallen Federal
Well No. 2, Unit C
Section 20, T-20-S, R-34-E
Lea County, New Mexico

Dear Mr. Simpson:

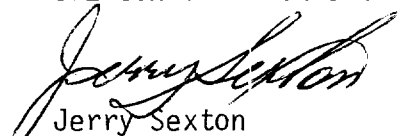
In response to a request from this office, Wallen Production Company requested that the subject well be reclassified from an injection to a salt water disposal well. This request was made by letter dated January 25, 1982. In your letter to Wallen Production Company dated February 22, 1982, you stated that a review of OCD records indicates that there is no existing Division Order authorizing the conversion of the well to an injection well.

Although you have apparently had no reply from Wallen Production Company, records in this office show that Division Order No. R-4621 did authorize the conversion of the well to an injection well.

Since this request for reclassification was made at our request, and since previous similar reclassifications have been made without the necessity for a formal application as required by Rule 701, we will appreciate your favorable consideration of this application.

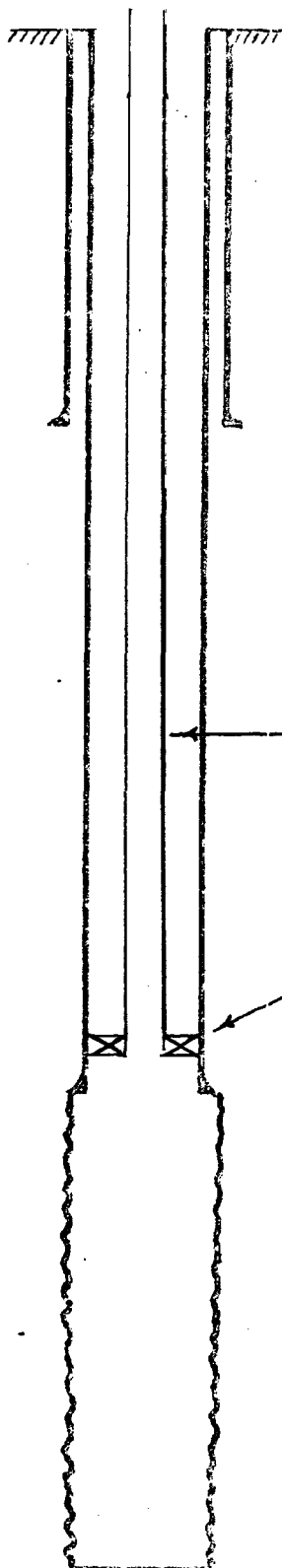
Yours very truly,

OIL CONSERVATION DIVISION


Jerry Sexton
Supervisor, District 1

mc
cc-Wallen Production Company
P. O. Box 1960
Midland, Texas 79701

OPERATOR WALTER W. KRUG DBA WALLEN PRODUCTION CO		DATE 4/20/82
LEASE WALLEN FEDERAL	WELL NO. 2-C	LOCATION 990'N & 1650'W S20, T20S, R34E



13 3/8" casing set at 85 ' with 57 sx of SA 1 1/2 cement
Hole size 15 "

← 2 3/8 PLASTIC LINED TUBING @ 3195

← BAKER LOC SET RKR. @ 3199'

7 " casing set at 3202 ' with 695 sx of Class "C" cement
Hole size 8 "

Open hole from 3202 ' to 3847 ' Hole size _____ "

Total Depth 3847 '

APR 21 1982

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 5040
Order No. R-4621

APPLICATION OF WALLEN PRODUCTION
COMPANY FOR A PRESSURE MAINTENANCE
PROJECT, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on August 9, 1973, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 24th day of August, 1973, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Wallen Production Company, seeks authority to institute a waterflood project in the North Lynch Yates-Seven Rivers Pool, by the injection of water into the Yates-Seven Rivers formation through its Federal Well No. 2, located in Unit C, 1650 feet from the West line and 990 feet from the North line of Section 20, Township 20 South, Range 34 East, NMPM, Lea County, New Mexico.

(3) That the wells in the area of the project are classified as "marginal" wells.

(4) That the subject waterflood project is in the interest of conservation and may result in the recovery of otherwise unrecoverable oil, thereby preventing waste.

(5) That the operator should 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 from injection, production, or plugged and abandoned wells.

Case No. 5040
Order No. R-4621

(6) That the subject application should be approved and the project should be governed by the provisions of Rules 701, 702 and 703 of the Commission Rules and Regulations.

IT IS THEREFORE ORDERED:

(1) That the applicant, Wallen Production Company, is hereby authorized to institute a waterflood project in the North Lynch Yates-Seven Rivers Pool, by the injection of water into the Yates-Seven Rivers formation through the Federal Well No. 2, located in Unit C, 1650 feet from the West line and 990 feet from the North line of Section 20, Township 20 South, Range 34 East, NMPM, Lea County, New Mexico.

PROVIDED HOWEVER, that injection shall be through internally cement-coated tubing set in a packer at approximately 3202 feet; that the casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge at the surface to facilitate detection of leaks in the casing, tubing or packer.

(2) That the subject project is hereby designated the Wallen North Lynch Waterflood Project and shall be governed by the provisions of Rules 701, 702 and 703 of the Commission Rules and Regulations.

(3) That the operator shall immediately notify the supervisor of the Commission's Hobbs district office of the failure of the tubing or packer in any of said injection wells, the leakage of water or oil from around any producing well, or the leakage of water or oil from any plugged and abandoned well within the project area and shall take such timely steps as may be necessary or required to correct such failure or leakage.

(4) That monthly progress reports of the project herein authorized shall be submitted to the Commission in accordance with Rules 704 and 1120 of the Commission Rules and Regulations.

(5) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

I. R. TRUJILLO, Chairman

ALEX J. ARMIJO, Member

S E A T

dr/