



**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

~~REGULATORY SECTION~~

APR 27 2000

ADMINISTRATIVE ORDER NO. RMX-203

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

**ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION**

Under the provisions of Division Order Nos. R-5897 and R-6856, Phillips Petroleum Company has made application to the Division on March 9, 2000 for permission to expand its East Vacuum Grayburg-San Andres Pressure Maintenance Project in the Vacuum Grayburg-San Andres 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 East Vacuum Grayburg-San Andres Pressure Maintenance Project will not cause waste nor impair correlative rights.
- (6) The application should be approved.

IT IS THEREFORE ORDERED THAT:

The applicant, Phillips Petroleum Company, be and the same is hereby authorized to alternately inject water and CO₂ into the San Andres formation at approximately 4320 feet to approximately 4700 feet through 2 7/8-inch plastic lined tubing set in a packer at located within 100 feet of the uppermost depth of the injection interval in the following described wells for purposes of pressure maintenance to wit:

BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Case No. 13134 Exhibit No. 1
Submitted by:
CONOCOPHILLIPS COMPANY
Hearing Date: August 21, 2003

Administrative Order PMX-203
Phillips Petroleum Company
March 24, 2000
Page 2

East Vacuum Grayburg San Andres Unit Well No. 395
API No.30-025-34832
2630' FSL & 645' FEL, Unit I,
Injection Interval: 4320 feet to 4700 feet
Maximum Injection Pressure: 1350 psi – water / 1850 psi – CO₂

East Vacuum Grayburg San Andres Unit Well No. 396
API No.30-025-34833
2630' FSL & 1950' FEL, Unit J,
Injection Interval: 4320 feet to 4700 feet
Maximum Injection Pressure: 1350 psi – water / 1850 psi – CO₂

East Vacuum Grayburg San Andres Unit Well No. 398
API No.30-025-34835
1350' FSL & 2165' FEL, Unit J,
Injection Interval: 4320 feet to 4700 feet
Maximum Injection Pressure: 1350 psi – water / 1850 psi – CO₂

East Vacuum Grayburg San Andres Unit Well No. 399
API No.30-025-34836
10' FSL & 660' FEL, Unit P,
Injection Interval: 4320 feet to 4700 feet
Maximum Injection Pressure: 1350 psi – water / 1850 psi – CO₂

All in Section 31, Township 17 South, Range 35 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.

Prior to commencing injection operations into the wells, 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.

*Administrative Order PMX-203
Phillips Petroleum Company
March 24, 2000
Page 3*

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 1350 psig while on water injection and no more than 1850 psig while on CO₂ injection. Those wells which may already have an approved increase in injection pressure in place are exempt from these limits.

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 San Andres 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-5897 and R-6856, as amended and Rules 702-706 of the Division Rules and Regulations not inconsistent herewith.

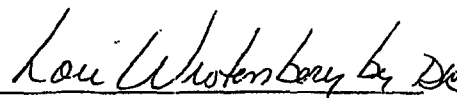
PROVIDED FURTHER THAT, jurisdiction of this cause is hereby retained by the Division for the entry of such further order or orders as may be deemed necessary or convenient for the prevention of waste and/or protection of correlative rights; upon failure of the operator to conduct operations in a manner 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.

The injection authority granted herein shall terminate one year after the effective date of this order if the operator has not commenced injection operations into the subject wells, provided however, the Division, upon written request by the operator, may grant an extension thereof for good cause shown.

Administrative Order PMX-203
Phillips Petroleum Company
March 24, 2000
Page 4

DONE at Santa Fe, New Mexico, on this 24th day of March, 2000.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



LORI WROTENBERY,
Director

SEAL

LW/MWA/kv

cc: Oil Conservation Division - Hobbs



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

November 28, 2001

RECEIVED

DEC 5 2001

SWR REGULATORY DEPT.

Phillips Petroleum Company
4001 Penbrook Street
Odessa, Texas 79762

Attention: Celeste Dale

Re: East Vacuum Grayburg San Andres Unit
Tertiary Recovery Project

Dear Ms. Dale:

Pursuant to your request dated November 1, 2001, Phillips Petroleum Company is hereby authorized to inject water, carbon dioxide and produced gas into the Grayburg-San Andres formation through the following described six wells that have previously been approved as water injection wells within the East Vacuum Grayburg-San Andres Unit Tertiary Recovery Project:

<u>Tract & Well No.</u>	<u>API No.</u>	<u>Well Location</u>	<u>Permit No.</u>
EVGBSAU 2963-005	30-025-26861	Unit M, Section 29, T-17S, R-35E	PMX-101
EVGBSAU 3236-008	30-025-26865	Unit E, Section 32, T-17S, R-35E	PMX-95
EVGBSAU 3127-007	30-025-26864	Unit J, Section 31, T-17S, R-35E	PMX-88
EVGBSAU 3127-006	30-025-26863	Unit J, Section 31, T-17S, R-35E	PMX-90
EVGBSAU 3127-005	30-025-26862	Unit P, Section 31, T-17S, R-35E	PMX-91
EVGBSAU 0524-005	30-025-26856	Unit E, Section 5, T-18S, R-35E	PMX-95

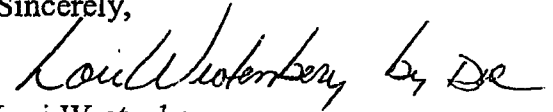
Injection into each of these wells shall not exceed the following-described surface injection pressure:

Water—1350 psig
CO₂ and Produced Gas-1850 psig

All other provisions contained within Division Orders No. PMX-101, PMX-95, PMX-88, PMX-90 and PMX-91 not inconsistent with the provisions set forth by this approval, shall remain in full force and effect.

Phillips Petroleum Company
Amendment of PMX-101, 95, 88, 90 & 91
November 28, 2001

Sincerely,

A handwritten signature in cursive script, appearing to read "Lori Wrotenbery, by De".

Lori Wrotenbery
Director

Xc: OCD-Hobbs
File-PMX-101, PMX-95,
PMX-88, PMX-90,
PMX-91