



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

ADMINISTRATIVE ORDER NO. PMX-223

***APPLICATION OF CBS OPERATING CORPORATION TO EXPAND ITS PRESSURE
MAINTENANCE PROJECT IN THE SQUARE LAKE-GRAYBURG SAN ANDRES POOL
IN EDDY COUNTY, NEW MEXICO***

**ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION DIVISION**

Under the provisions of Division Order No. R-11435-A (Case 12112), CBS Operating Corporation has made application to the Division on August 21, 2003 for permission to expand its North Square Lake Unit Pressure Maintenance Project in the Square Lake-Grayburg San Andres Pool in Eddy 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 pressure maintenance project will not cause waste nor impair correlative rights.

IT IS THEREFORE ORDERED THAT:

The applicant, CBS Operating Corporation, is hereby authorized to utilize the following five wells to inject water for purposes of pressure maintenance into the Grayburg and San Andres formations through 2 3/8-inch plastic lined tubing set in packers located within 100 feet of the uppermost injection interval.

North Square Lake Unit Well No. 41, API No. 30-015-04907
1980 FNL & 1980 FWL, (Unit F) Section 29, Township 16 South, Range 31 East, NMPM
Open Hole Interval: 3056 - 3445, Packer at 2960, Maximum Injection Pressure 611 psi.

North Square Lake Unit Well No. 42, API No. 30-015-04908
1980 FNL & 1980 FEL, (Unit C) Section 29, Township 16 South, Range 31 East, NMPM
Open Hole Interval: 3195 - 3482, Packer at 3095, Maximum Injection Pressure 639 psi.

North Square Lake Unit Well No. 43, API No. 30-015-04909
1980 FNL & 660 FEL, (Unit H) Section 29, Township 16 South, Range 31 East, NMPM
Open Hole Interval: 3252 - 3562, Packer at 3150, Maximum Injection Pressure 650 psi.

North Square Lake Unit Well No. 60, API No. 30-015-04914
1980 FSL & 1880 FEL, (Unit J) Section 29, Township 16 South, Range 31 East, NMPM
Perforated Interval: 3300 - 3502, Packer at 3200, Maximum Injection Pressure 660 psi.

North Square Lake Unit Well No. 61, API No. 30-015-04903
1980 FSL & 660 FEL, (Unit I) Section 29, Township 16 South, Range 31 East, NMPM
Open Hole Interval: 3265 - 3433, Packer at 3165, Maximum Injection Pressure 652 psi.

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.

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 0.2 psi per foot to the uppermost injection perforation or open-hole interval.

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 injection 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 Artesia 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 Artesia 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.

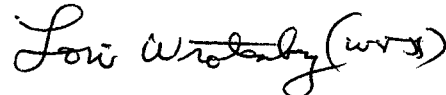
The subject wells shall be governed by all provisions of Division Order No. R-11435-A, as amended and Rules 702-706 of the Division Rules and Regulations not inconsistent herewith.

PROVIDED FURTHER THAT, jurisdiction is retained by the Division for the entry of such further orders as may be necessary for the prevention of waste and/or protection of correlative rights or upon failure of the operator to conduct operations (1) to protect fresh water or (2) consistent with the requirements in this order, whereupon 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 well, provided however, the Division, upon written request by the operator, may grant an extension thereof for good cause shown.

DONE at Santa Fe, New Mexico, on this 17th day of October 2003.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



LORI WROTENBERY
Director

SEAL

LW/wvjj

cc: Oil Conservation Division - Artesia
Bureau of Land Management - Roswell
Case File No. 12112