

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 14402
ORDER NO. R- 4442-F

APPLICATION OF CHEVRON U.S.A., INC.
FOR AMENDMENT OF DIVISION ORDER
NO. R-4442, AS AMENDED, TO REVISE THE
INJECTION WELL COMPLETION
REQUIREMENTS AND TO CHANGE THE
BASIS FOR THE CALCULATION OF THE
AUTHORIZED INJECTION PRESSURE FOR
CARBON DIOXIDE FROM SURFACE
PRESSURE TO THE AVERAGE RESERVOIR
PRESSURE IN ITS PREVIOUSLY
APPROVED TERTIARY RECOVERY
PROJECT IN THE VACUUM GRAYBURG-
SAN ANDRES PRESSURE MAINTENANCE
PROJECT, LEA COUNTY,
NEW MEXICO.

INTERIM ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on December 3, 2009, at Santa Fe, New Mexico, before Examiner David K. Brooks, and was taken under advisement.

On December 21, 2009, prior to entry of an order in this case, Chevron U.S.A., Inc. (Applicant) requested the Division to enter an interim order allowing Applicant, prior to entry of an Order pursuant to the December 3, 2009 hearing, to re-set the packer above the injection interval in one of the subject injection wells at a location more than 100 feet above the injection interval.

NOW, on this 22nd day of December, 2009, the Division Director, having considered the testimony, the record and the recommendations of the Examiner,

FINDS THAT:

(1) Due notice has been given, and the Division has jurisdiction of the subject matter of this case.

(2) The Vacuum-Grayburg San Andres Unit (the Unit) is an existing pressure maintenance unit established by Order No. R-4442 issued in Case No. 4852 on November 27, 1972. The Vacuum Grayburg-San Andres Unit Well No. 30 (API No. 30-025-24307), located 2630 feet from the South line and 2630 feet from the West line (Unit K) of Section 2, Township 18 South, Range 34 East, NMPM, in Lea County, New Mexico (the subject well), is a permitted injection well within the Unit, originally permitted by Administrative Order PMX-111, issued September 14, 1981.

(3) Order PMX-111 specified that tubing in the subject well be installed in a packer to be set within 50 feet of the uppermost perforation.

(4) Ordering Paragraph (2) of Order R-4442-A, issued on September 18, 2001, which applies to all injection wells in the Unit, provides:

[I]njection operations shall be accomplished through internally coated tubing installed in a packer set within approximately 100 feet of the uppermost injection perforations or casing shoe . . .

(5) Applicant filed this application to secure amendment of the orders governing the Unit, *inter alia*, removing the requirements set forth in Ordering Paragraph (2) of Order R-4442-A regarding packer setting depth.

(6) At the hearing of this case, Chevron presented evidence indicating that in certain wells in this Unit, it would be necessary, in order to find an appropriate packer seat, to re-set the packer more than 100 feet above the uppermost perforation.

(7) By letter dated December 21, 2009, Applicant has requested permission to re-set the packer in the subject well at a depth of approximately 4,136 feet below the surface, or approximately 307 feet above the uppermost perforation. It is understood that no sufficient packer seat exists at a lower depth and that that the proposed packer setting depth is within the Unitized Formation as defined in Finding Paragraph (4) of Order No. R-4442-B.

(8) Not allowing continued injection into the subject well during the Division's consideration of this Application could interfere with production of hydrocarbons from the Unit, thereby causing waste.

(9) Therefore, this interim order should be issued allowing setting of the packer in the subject well as requested.

IT IS THEREFORE ORDERED THAT:

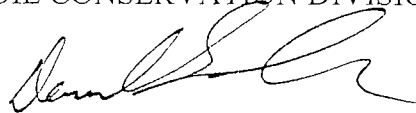
(1) Applicant is authorized to re-set the packer in its Vacuum Grayburg-San Andres Unit Well No. 30 (API No. 30-025-24307), at an approximate depth of 4,136 feet below the surface, notwithstanding contrary provisions of Administrative Order PMX-111 and Order R-4442-A and other applicable orders, until the Division issues a further order in this case; provided that this depth is within the Unitized Formation, as defined in Finding Paragraph (4) of Order No. R-4442-B.

(2) The authorization granted by this Order is further subject to Applicant's being in compliance with all applicable Division rules, including, but not limited to Division Rule 5.9, and with all applicable provisions of Orders Nos. R-4442, R-4442-A, R-4442-C, R-4442-D, except as otherwise herein expressly provided, and with all other Orders that may be applicable to the operation of subject well or the Unit.

(3) Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



MARK E. FESMIRE, P.E.
Director

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