

**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. 12614
ORDER NO. R-4417-A**

**APPLICATION OF ENERGEN RESOURCES CORPORATION FOR
AUTHORIZATION TO EXPAND WATERFLOOD INJECTION OPERATIONS IN
THE LANGLEY LYNN (QUEEN) UNIT, LEA COUNTY, NEW MEXICO.**

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on March 8, 2001 at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 19th day of September, 2001, the Division Director, having considered the testimony, the record and the recommendations of the Examiner,

FINDS THAT:

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

(2) By Order No. R-4416, issued in Case No. 4839 on October 10, 1972, the Division approved the application of Continental Oil Company for unitization of the following described 760.00 acres, more or less, of State and Federal lands in Lea County, New Mexico, also known as the Langlie Lynn (Queen) Unit Area:

TOWNSHIP 23 SOUTH, RANGE 36 EAST, NMPM

Section 22: SE/4
Section 23: SW/4 and W/2 SE/4
Section 26: W/2 NE/4, NW/4, and N/2 SW/4
Section 27: NE/4 NE/4.

(3) By Order No. R-4417, issued in Case No. 4840 on October 10, 1972, the Division authorized Continental Oil Company to institute a waterflood project (therein designated the Continental Langlie Lynn Waterflood Project) by the injection of water into the

Lower Seven Rivers and Queen formations of the Langlie-Mattix (Seven Rivers-Queen-Grayburg) Pool within the above-described unit, Lea County, New Mexico. By Division Administrative Order WFX-581, dated May 16, 1989, this waterflood project was expanded to include an additional water injection well.

(4) Energen Resources Corporation ("Energen") is the current operator of both the Langlie Lynn (Queen) Unit and the Continental Langlie Lynn Waterflood Project ("waterflood project").

(5) The applicant, Energen, pursuant to Division Rule 701 (G), seeks authority to expand its waterflood project by converting the following-described six wells, all located in Township 23 South, Range 36 East, NMPM, Lea County, New Mexico, to water injectors:

(a) Langlie Lynn Queen Unit Well No. 5 (**API No. 30-025-09389**), located 1980 feet from the South and East lines (Unit J) of Section 23, with injection into perforations from 3,494 feet to 3,631 feet;

(b) Langlie Lynn Queen Unit Well No. 7 (**API No. 30-025-09391**), located 660 feet from the South line and 1980 feet from the West line (Unit N) of Section 23, with injection into perforations from 3,510 feet to 3,682 feet;

(c) Langlie Lynn Queen Unit Well No. 12 (**API No. 30-025-20052**), located 660 feet from the North and West lines (Unit D) of Section 26, with injection into perforations from 3,446 feet to 3,682 feet;

(d) Langlie Lynn Queen Unit Well No. 14 (**API No. 30-025-20191**), located 660 feet from the North line and 1980 feet from the West line (Unit B) of Section 26, with injection into perforations from 3,408 feet to 3,586 feet;

(e) Langlie Lynn Queen Unit Well No. 16 (**API No. 30-025-21229**), located 1980 feet from the North and West lines (Unit F) of Section 26, with injection into perforations from 3,468 feet to 3,653 feet; and

(f) Langlie Lynn Queen Unit Well No. 18 (**API No. 30-025-21458**), located 1980 feet from the South line and 660 feet from the West line (Unit L) of Section 26, with injection into perforations from 3,540 feet to 3,681 feet.

(6) Energen originally filed an application with the Division for administrative review under Division Rule 701.C on April 24, 2000 for the six wells described above and for two additional injection wells, namely: Langlie Lynn Queen Unit Well No. 3 (**API No. 30-025-09388**), located 1980 feet from the South line and 660 feet from the West line (Unit L) of Section 23, and Langlie Lynn Queen Unit Well No. 9 (**API No. 30-025-20049**), located 660 feet from the South line and 330 feet from the East line (Unit P) of Section 22, both in Township 23 South, Range 36 East, NMPM, Lea County, New Mexico.

(7) The Division subsequently received objections from Doyle Hartman, Oil Operator, and Lanexco, Inc. This matter was then placed on the Division's hearing docket without the Langlie Queen Unit Wells No. 3 and 9, and was styled, "*in the absence of objection, the case will be taken under advisement.*"

(8) When this case was called at the March 8, 2001 hearing no interested parties appeared in opposition to the application that appeared on the docket. Further, the applicant presented no evidence.

(9) Since no evidence was presented, and the examiner was not provided the opportunity to review technical data or ask questions of the applicant's staff on any of the technical merits of the application, this matter should be remanded back to the Division's administrative review process.

IT IS THEREFORE ORDERED THAT:

(1) The application of Energen Resources Corporation for authority to expand its Continental Langlie Lynn Waterflood Project within the Langlie Lynn (Queen) Unit Area by converting the following-described six wells, all located in Township 23 South, Range 36 East, NMPM, Lea County, New Mexico, to water injectors, is hereby remanded back to the Division's administrative review process:

(a) Langlie Lynn Queen Unit Well No. 5 (**API No. 30-025-09389**), located 1980 feet from the South and East lines (Unit J) of Section 23, with injection into perforations from 3,494 feet to 3,631 feet;

(b) Langlie Lynn Queen Unit Well No. 7 (**API No. 30-025-09391**), located 660 feet from the South line and 1980 feet from the West line (Unit N) of Section 23, with injection into perforations from 3,510 feet to 3,682 feet;

(c) Langlie Lynn Queen Unit Well No. 12 (**API No. 30-025-20052**), located 660 feet from the North and West lines (Unit D) of Section 26, with injection into perforations from 3,446 feet to 3,682 feet;

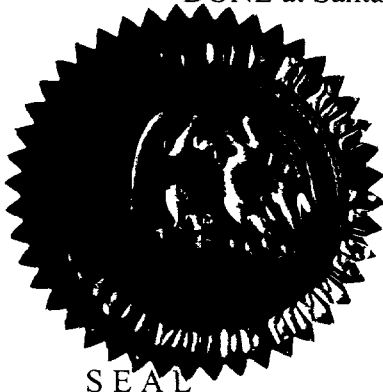
(d) Langlie Lynn Queen Unit Well No. 14 (**API No. 30-025-20191**), located 660 feet from the North line and 1980 feet from the West line (Unit B) of Section 26, with injection into perforations from 3,408 feet to 3,586 feet;

(e) Langlie Lynn Queen Unit Well No. 16 (**API No. 30-025-21229**), located 1980 feet from the North and West lines (Unit F) of Section 26, with injection into perforations from 3,468 feet to 3,653 feet; and

(f) Langlie Lynn Queen Unit Well No. 18 (**API No. 30-025-21458**), located 1980 feet from the South line and 660 feet from the West line (Unit L) of Section 26, with injection into perforations from 3,540 feet to 3,681 feet.

(2) 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

Lori Wrotenbery
LORI WROTENBERY
Director