



STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

**TONY ANAYA**  
 GOVERNOR

March 27, 1985

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87501  
(505) 827-5800

Mr. James Bruce  
Hinkle, Cox, Eaton,  
Coffield & Hensley  
Attorneys at Law  
Post Office Box 2068  
Santa Fe, New Mexico

Re: CASE NO. 8429  
ORDER NO. R-7857

Applicant:

Exxon Corporation

Dear Sir:

Enclosed herewith are two copies of the above-referenced Division order recently entered in the subject case.

Sincerely,

Sincerely,  
B. L. Sumner

R. L. STAMETS  
Director

RLS / fd

Copy of order also sent to:

|             |          |
|-------------|----------|
| Hobbs OCD   | <u>x</u> |
| Artesia OCD | <u>x</u> |
| Aztec OCD   |          |

Other \_\_\_\_\_

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

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

CASE NO. 8429  
Order No. R-7857

APPLICATION OF EXXON CORPORATION  
FOR A PRESSURE MAINTENANCE  
PROJECT, LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on December 19, 1984, and on March 27, 1985, at Santa Fe, New Mexico, before Examiners Gilbert P. Quintana and Michael E. Stogner, respectively.

NOW, on this 27th day of March, 1985, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

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

(2) The applicant, Exxon Corporation, seeks authority to institute a pressure maintenance project on portions of its New Mexico State "DL" and "EF" Leases, as described below, by the injection of water into the Ramsey Sand Member of the Bell Canyon formation through its proposed New Mexico State "EF" Well No. 3 to be located 990 feet from the South line and 330 feet from the West line of Section 17, Township 23 South, Range 33 East, NMPM, Cruz-Delaware Pool, Lea County, New Mexico.

PROJECT AREA

New Mexico State "DL" Lease

TOWNSHIP 23 SOUTH, RANGE 33 EAST, NMPM  
Section 18: E/2 SE/4

New Mexico State "EF" Lease

TOWNSHIP 23 SOUTH, RANGE 33 EAST, NMPM  
Section 17: W/2 SW/4

(3) The proposed project should be designated as the New Mexico State "DL" and "EF" Pressure Maintenance Project.

(4) The working interest, royalty interest, and overriding royalty interests in the New Mexico State "DL" and the New Mexico State "EF" Leases are common.

(5) The applicant proposes to maintain reservoir pressure in the Cruz-Delaware Pool in said project by the injection of water into said well below the water-oil contact in a perforated interval from approximately 5160 feet to 5250 feet.

(6) The proposed New Mexico State "DL" and "EF" Pressure Maintenance Project should result in the recovery of otherwise unrecoverable oil, thereby preventing waste, and will not impair correlative rights.

(7) The project allowable should be equal to top unit allowable for the Cruz-Delaware Pool times the number of developed (production or injection) proration units within the project area.

(8) The transfer of allowable between wells within the New Mexico State "DL" and "EF" Pressure Maintenance Project area should be permitted.

(9) The operator of the New Mexico State "DL" and "EF" Pressure Maintenance Project Area 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.

(10) The injection of water into the New Mexico State "EF" Well No. 3 should be accomplished through 2 3/8-inch internally plastic-lined tubing installed in a packer set at approximately 5100 feet, with injection into the perforated interval from approximately 5160 feet to 5250 feet; the casing-tubing annulus should be filled with an inert fluid and a pressure gauge or approved leak detection device should be attached to the annulus in order to determine leakage in the casing, tubing, or packer.

(11) The New Mexico State "EF" Well No. 3 or its injection pressurization system should be so equipped as to limit injection pressure at the wellhead to no more than 1032 psi, but the Division Director should have authority to increase said pressure limitation, should circumstances warrant.

(12) The subject application should be approved and the project should be governed by the provisions of Rules 701 through 708 of the Division Rules and Regulations.

IT IS THEREFORE ORDERED THAT:

(1) The applicant, Exxon Corporation, is hereby authorized to institute a pressure maintenance project on portions of its New Mexico State "DL" and "EF" Leases, as described below, by the injection of water into the Ramsey Sand Member of the Bell Canyon formation through its proposed New Mexico State "EF" Well No. 3 to be located 990 feet from the South line and 330 feet from the West line of Section 17, Township 23 South, Range 33 East, NMPM, Cruz-Delaware Pool, Lea County, New Mexico.

PROJECT AREA

New Mexico State "DL" Lease

TOWNSHIP 23 SOUTH, RANGE 33 EAST, NMPM  
Section 18: E/2 SE/4

New Mexico State "EF" Lease

TOWNSHIP 23 SOUTH, RANGE 33 EAST, NMPM  
Section 17: W/2 SW/4

(2) The proposed project is hereby designated the New Mexico State "DL" and "EF" Pressure Maintenance Project.

(3) The project allowable shall be equal to top unit allowable for the Cruz-Delaware Pool times the number of developed (production or injection) proration units within the project area.

(4) The transfer of allowable between wells within said project area shall be permitted.

(5) The operator of said project shall take 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.

(6) The injection of water into the New Mexico State "EF" Well No. 3 shall be accomplished through 2 3/8-inch internally plastic-lined tubing installed in a packer set at approximately 5100 feet, with injection into the perforated interval from approximately 5160 feet to 5250 feet; the casing-tubing annulus shall be filled with an inert fluid and a pressure gauge or approved leak detection device shall be attached to the annulus in order to determine leakage in the casing, tubing, or packer.

(7) The New Mexico State "EF" Well No. 3 or its injection pressurization system shall be equipped so as to limit injection pressure at the wellhead to no more than 1032 psi, but the Division Director shall have authority to increase said pressure limitation, should circumstances warrant.

(8) The Division Director may administratively authorize an expansion of said project area in accordance with Rule 701 E.3. of the Division's General Rules and Regulations.

(9) All wells within the project area shall be equipped with risers or in some other acceptable manner to facilitate the periodic testing of the bradenhead for pressure or fluid production.

(10) The operator shall notify the supervisor of the Division's Hobbs district office of the date and time of the installation of injection equipment so that it may be inspected.

(11) The project operator shall immediately notify the Supervisor of the Division's Hobbs District Office of the failure of the tubing or packer in said injection well, the leakage of water or oil from or around any producing well, the leakage of water or oil from or around any plugged and abandoned well within the project area, or any other evidence of fluid migration from the injection zone, and shall take such timely steps as may be necessary or required to correct such failure or leakage.

(12) The project allowable shall be equal to the top unit allowable for the pool times the number of developed (production or injection) proration units within the project and may be assigned to the wells in the project in any proportion.

-5-

Case No. 8429

Order No. R-7857

(13) The applicant shall conduct injection operations and submit monthly reports in accordance with Rules 701 through 708 of the Division Rules and Regulations.

(14) Jurisdiction of this cause 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

A handwritten signature in cursive script, appearing to read "R. L. Stamets".

R. L. STAMETS  
Director

fd/