

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. 8437
Order No. R-7843

APPLICATION OF CHAMPLIN PETROLEUM
COMPANY FOR TWO WATERFLOOD PROJECTS,
CHAVES COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on January 16, 1985, at Santa Fe, New Mexico, before Examiner Gilbert P. Quintana.

NOW, on this 5th 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, Champlin Petroleum Company, seeks authority to institute a waterflood project on its State 5 "A" Lease, described below, by the injection of water into the San Andres formation through its existing State 5 "A" Well No. 1 located 660 feet from the North line and 1980 feet from the West line of Section 5, Township 8 South, Range 33 East, NMPM, Chaveros-San Andres Pool, Chaves County, New Mexico.

STATE 5 "A" LEASE

TOWNSHIP 8 SOUTH, RANGE 33 EAST, NMPM
Section 5: N/2 NW/4

(3) The applicant also seeks authority to institute a waterflood project on its State 5 Lease, described below, by the injection of water into the San Andres formation through its State 5-8-33 Well No. 5, located 1980 feet from the North

line and 1980 feet from the East line of Section 5, Township 8 South, Range 33 East, NMPM, Chaveroo-San Andres Pool, Chaves County, New Mexico.

STATE 5 LEASE

TOWNSHIP 8 SOUTH, RANGE 33 EAST, NMPM
Section 5: E/2, SW/4, and S/2 NW/4

(4) The Chaveroo-San Andres producing wells in the proposed State 5 "A" and State 5 Lease Waterflood Project areas, as described in Findings 2 and 3 above, are in the advanced state of depletion and should be properly classified as "stripper" wells.

(5) Both proposed waterflood projects should result in the recovery of otherwise unrecoverable oil, thereby preventing waste.

(6) The operator should take all steps necessary to ensure that the injected waters enter only the proposed injection interval and are not permitted to escape to other formations or onto the surface from injection, production, or plugged and abandoned wells.

(7) The injection wells or injection pressurization systems should be so equipped as to limit injection pressure at the well-head to no more than 845 psi, but the Division Director should have authority to increase said pressure limitation, should circumstances warrant.

(8) The subject application should be approved and both projects should be governed by the provisions of Rules 702 through 708 of the Division Rules and Regulations.

IT IS THEREFORE ORDERED THAT:

(1) The applicant, Champlin Petroleum Company, is hereby authorized to institute two waterflood projects on its State 5 "A" and State 5 Leases, by the injection of water into the San Andres formation through the following described wells in Township 8 South, Range 33 East, NMPM, Chaveroo-San Andres Pool, Chaves County, New Mexico:

State 5 "A" Lease Well No. 1
660' FNL & 1980' FWL of Section 5

State 5-8-33 Lease Well No. 5
1980' FNL & 1980' FEL of Section 5

(2) The authorized perforated injection interval for Well No. 1 and Well No. 5, described above, shall be 4216 feet to 4398 feet and 4223 feet to 4401 feet, respectively.

(3) Injection into each of said wells shall be accomplished through 2 3/8-inch internally coated tubing, set in a packer which shall be located as near as practicable to the uppermost perforation; the casing-tubing annulus of each injection well shall be loaded with an inert fluid and equipped with an approved pressure gauge or attention-attracting leak detection device.

(4) The operator shall immediately notify the supervisor of the Division's Hobbs district office of the failure of the tubing or packer in any of said injection wells, the leakage of water or oil from or around any producing well, or the leakage of water or oil from any plugged and abandoned well within the project area and shall take such timely steps as may be necessary or required to correct such failure or leakage.

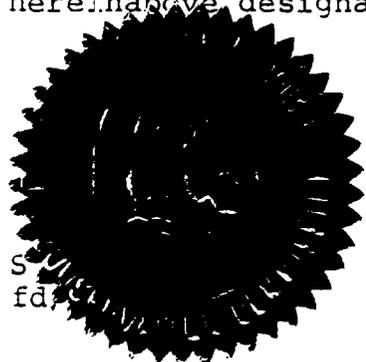
(5) The injection wells herein authorized and/or the injection pressurization system shall be so equipped as to limit injection pressure at the wellhead to no more than 845 psi, provided however, the Division Director may authorize a higher surface injection pressure upon satisfactory showing that such pressure will not result in fracturing of the confining strata.

(6) The subject waterflood projects are hereby designated the State 5 "A" Lease and State 5 Lease Waterflood Projects and shall be governed by the provisions of Rules 701 through 708 of the Division Rules and Regulations.

(7) Monthly progress reports of the waterflood projects herein authorized shall be submitted to the Division in accordance with Rules 706 and 1115 of the Division Rules and Regulations.

(8) 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
R. L. Stamets
R. L. STAMETS
Director

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