

**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-E**

**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 16, 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 to resume injection into the Vacuum Grayburg-San Andres Well No. 47 until the Division enters an Order pursuant to the December 3, 2009 hearing.

NOW, on this 18th 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. 47 (API No. 30-025-24365), located 1330 feet from the North line and 10 feet from the East line (Unit H) of Section 2, Township 18 South, Range 34 East, NMPM, in Lea County, New Mexico (the subject well), is located in the Unit and is permitted as an injection well pursuant to Order No. R-4442-A issued in Case No. 12592 issued on September 18, 2001.

(3) Ordering Paragraph (2) of Order No. R-4442-A 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; the casing-tubing annulus shall be filled with an inert fluid and a gauge or approved leak-detection device shall be attached to the annulus in order to determine leakage in the casing, tubing or packer.

(4) The subject well is not, at this time, constructed in accordance with the above-stated requirement. Rather, the casing-tubing annulus is cemented to the surface. For this reason, the Division's District Supervisor directed Applicant to cease injection into the subject well.

(5) Applicant filed this application to secure amendment of the orders governing the Unit, removing the requirements set forth, *inter alia*, in Ordering Paragraph (2) of Order No. R-4442-A regarding packer setting depth and maintaining a casing-tubing annulus filled with an inert fluid.

(6) The subject well is not the only well in the Unit wherein the casing-tubing annulus has been cemented. After the filing of this Application, the Division orally authorized Applicant to continue operating other injection wells in the Unit in which the casing-tubing annulus has been cemented until the Division issues an order granting or denying this Application.

(7) Applicant has conducted a blanking plug test that demonstrates the existing mechanical integrity of the subject well.

(8) Based on the evidence submitted at the hearing of this case, there is a reasonable probability that Applicant will prevail when this Application is decided on its merits.

(9) 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.

(10) Therefore, this interim order should be issued allowing injection into the subject well until the Division issues an order granting or denying this Application.

IT IS THEREFORE ORDERED THAT:

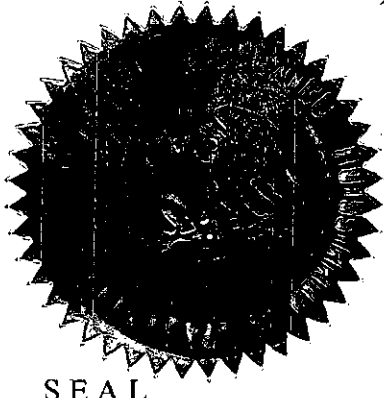
(1) Applicant is authorized to resume injection into its Vacuum Grayburg-San Andres Unit Well No. 47 (API No. 30-025-24365), notwithstanding the provisions of Ordering Paragraph (2) of Order No. R-4442-A, and other applicable orders requiring maintenance of a casing-tubing annulus filled with an inert fluid, until the Division issues a further order in this case.

(2) The authorization granted by this Order may be terminated at any time after notice and opportunity for a hearing, or without notice or hearing in event of an emergency.

(3) 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.


(4) 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.



SEAL

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


MARK E. FESMIRE, P.E.
Director