

9/10/43
Case No. 10794
Order No. R-9961
-5-

IT IS THEREFORE ORDERED THAT:

(1) The application of Yates Petroleum Corporation for authority to institute a waterflood project in its Sanmal Queen Unit, Sanmal-Queen Pool, by the injection of water into the Queen formation through the gross perforated interval from approximately 3,762 feet to 3,782 feet in the following described wells located in Township 17 South, Range 33 East, NMPM, Lea County, New Mexico, is hereby approved:

WELL NAME & NUMBER

WELL LOCATION

Billy "AES" St. No. 2	530' FNL & 1750' FWL (Unit C) Section 12
Hoover "ADR" St. No. 2	990' FSL & 2310' FEL (Unit O) Section 1

(2) Prior to commencing injection operations into the Billy "AES" State Well No. 2, the applicant shall squeeze cement the existing Grayburg and San Andres perforations from 4,585 feet to 4,595 feet and plug back to the Queen formation in a manner acceptable to the supervisor of the Division's Hobbs district office.

(3) The applicant shall 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.

(4) Injection shall be accomplished through 2 7/8-inch plastic-lined tubing installed in a packer set approximately within 100 feet of the uppermost injection perforation; the casing-tubing annulus in each well shall be filled with an inert fluid and equipped with an approved pressure gauge or attention-attracting leak detection device.

(5) The injection wells or pressurization system shall be equipped with a pressure control device or acceptable substitute which will limit the surface injection pressure to no more than 753 psi.

(6) The Division Director shall have the authority to administratively authorize a pressure limitation in excess of the above upon a showing by the operator that such higher pressure will not result in the fracturing of the injection formation or confining strata.