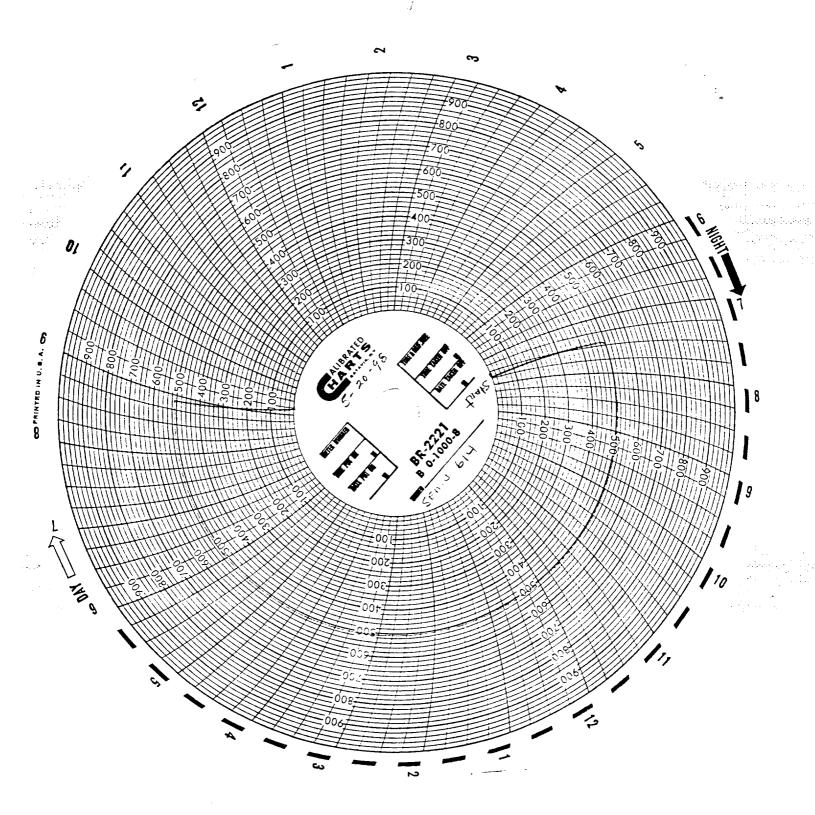
State of New Mexico Energy, Minerals and Natural Resources Department

Form C-103 Revised 1-1-89

<u>DISTRICT I</u> P.O. Box 1980, Hobbs, NM 88240							
<u>DISTRICT II</u> P.O. Drawer DD, Artesia, NM 88210		30-025-33337					
DISTRICT III 1000 Rio Brazos Rd., Aztec, NM 87410		STATE FEE 6State Oil & Gas Lease No.					
	TICES AND REPORTS ON	N MEI	10		B-2516		
(DO NOT USE THIS FORM FOR PI DIFFERENT RESI (FORM	7Lease Name or Unit Agreement Name SEMGSAU						
Type of Well: OIL GAS WELL WELL	OTHER WE		ector	<u></u> .			
2Name of Operator Cross Timbers Operating Compa					sWell No.		
3Address of Operator 3000 N. Garfield, Suite 175, Midl	and, TX 79701				Pool name or Wildom Maljamar Grayt		res
Well Location Unit Letter N : 1070	Feet From The South	1	Line and	1888	Feet From The	West	Line
Section 29	Township 17S) F	Range	33E	NMPM	Lea	County
	₀Elevation (Show whet 4052' GR	ther DF, I	RKB, RT, GR, et	c.)	, ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	·	
11 Check A	Appropriate Box to Indica	ate Na	ture of No	tice, Rep	oort, or Other D)ata	
NOTICE OF I	NTENTION TO:			SUBS	SEQUENT RE	PORT OF	F:
PERFORM REMEDIAL WORK	PLUG AND ABANDON		REMEDIAL W	ORK		ALTERING CA	SING
TEMPORARILY ABANDON	ARILY ABANDON CHANGE PLANS COMMENCE DRILLING						IBANDONMENT
PULL OR ALTER CASING			CASING TEST	AND CEME	NT JOB		
OTHER:			OTHER: Co	nvert to W	ater Injection Well		<u>.</u> ×
12 Describe Proposed or Completed Operation work) SEE RULE 1103. Rigged up pulling unit. Installed packer on 2-3/8" salta lined tubir wellhead. Press tested tubing/con May 20, 1998 at an estimated PER ADMINISTRATIVE ORDER	BOP. Pulled and laid down and Pumped packer fluid in a asing annulus to 500 psig. He arate of 171 BWPD @ 0 psi.	rods, p nnulus leid Ok	oump & produ . Set tubing ((chart attac	uction tub & packer	ing. Ran nickle p	lated Arrows	halleta
I hereby certify that the information above i			-	. T b			
SIGNATURE James	Courtney		_E Regulator	y recn		DATE 06-0	71-98
TYPE OR PRINT NAME Janice Courtney				<u> </u>		TELEPHONE NO.	915/682-8873
	D BY CHRIS WILLIAMS I SUPERVISOR	TITI	F			DATE	IUN 08 199

CONDITIONS OF APPROVAL, IF ANY:



COOD / MIDLAND

MAY 27 1998

NEW MEXICO ENLAGY, MINERALS & NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION 2040 South Pacheco Street Santa Fe, New Mexico 87505 (505) 827-7131



ADMINISTRATIVE ORDER NO. WFX-731

APPLICATION OF CROSS TIMBERS OPERATING COMPANY TO EXPAND ITS WATERFLOOD PROJECT IN THE MALJAMAR GRAYBURG-SAN ANDRES POOL IN LEA COUNTY, NEW MEXICO

ADMINISTRATIVE ORDER OF THE OIL CONSERVATION DIVISION

Under the provisions of Division Order No. R-3469 as amended, Cross Timbers Operating Company has made application to the Division on December 4, 1997 for permission to expand its Southeast Maljamar Grayburg-San Andres Unit Waterflood Project in the Maljamar Grayburg-San Andres Pool in Lea County, New Mexico.

THE DIVISION DIRECTOR FINDS THAT:

- (1) The application has been filed in due form.
- (2) Satisfactory information has been provided that all offset operators have been duly notified of the application.
- (3) No objection has been received within the waiting period as prescribed by Rule 701(B).
- (4) The proposed injection wells are eligible for conversion to injection under the terms of Rule 701.
- (5) The proposed expansion of the above referenced waterflood project will not cause waste nor impair correlative rights.
 - (6) The application should be approved.

IT IS THEREFORE ORDERED THAT:

The applicant, Cross Timbers Operating Company, be and the same is hereby authorized to inject water into the Grayburg formation at approximately 4218 feet to approximately 4395 feet through 2 3/8-inch plastic lined tubing set in a packer located within 100 feet of the uppermost injection perforations in the wells described on Exhibit "A" attached hereto, for purposes of secondary recovery.

IT IS FURTHER ORDERED THAT:

The operator 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.

Prior to commencing injection operations into the wells, the casing shall be pressure tested from the surface to the packer setting depth to assure the integrity of said casing.

The casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge at the surface or left open to the atmosphere to facilitate detection of leakage in the casing, tubing or packer.

The injection well or system shall be equipped with a pressure limiting device which will limit the wellhead pressure on the injection wells to .2 psi per foot of depth to the uppermost injection perforations of each well as indicated on Exhibit 'A'.

The Director of the Division may authorize an increase in injection pressure upon a proper showing by the operator of said wells that such higher pressure will not result in migration of the injected fluid from the Grayburg formation. Such proper showing shall consist of a valid step-rate test run in accordance with and acceptable to this office.

The operator shall notify the supervisor of the Hobbs district office of the Division of the date and time of the installation of injection equipment and of the mechanical integrity tests so that the same may be inspected and witnessed.

The operator shall immediately notify the supervisor of the Hobbs district office of the Division of the failure of the tubing, casing or packer in said wells and shall take such steps as may be timely and necessary to correct such failure or leakage.

The subject wells shall be governed by all provisions of Division Order No. R-3134, as amended and Rules 702-706 of the Division Rules and Regulations not inconsistent herewith.

PROVIDED FURTHER THAT, jurisdiction is retained by the Division for the entry of such further orders as may be necessary for the prevention of waste and/or protection of correlative rights or upon failure of the operator to conduct operations (1) to protect fresh water or (2) consistent with the requirements in this order, whereupon the Division may, after notice and hearing, terminate the injection authority granted herein.

The injection authority granted herein shall terminate one year after the effective date of this order if the operator has not commenced injection operations into the subject wells, provided however, the Division, upon written request by the operator, may grant an extension thereof for good cause shown.

DONE at Santa Fe, New Mexico, on this 10th day of February, 1998.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

ORTWROTENBERY

Director

SEAL

LW/BES/kv

cc: Oil Conservation Division - Hobbs

Case File No.3462

EXHIBIT "A"
DIVISION ORDER NO. WFX-731
SOUTHEAST MALJAMAR GRAYBURG-SAN ANDRES UNIT WATERFLOOD PROJECT
APPROVED INJECTION WELLS

	SEMGSAU		SEMGSAU SEMGSAU		SEMGSAU		SEMGSAU		SEMGSAU		Well Name					
	714		710		614		610		106		15		110.	<u>``</u>	Well	
	1165' FSL & 2010' FEL 1200' FSL & 900' FEL			1070' FSL & 1888' FWL	1310' FSL & 750' FWL			1040' FSL & 420' FEL		500' FNL & 330' FWL		TOCHION		Location		
	P O		z	Z			P		D				Unit			
	29-17S-33E	10000	29-17S-33F	29-17S-33E 29-17S-33E		29-17S-33E		30-17S-33E		32-17S-33E		S-T-R				
	4282'-4372'	17C1-717	4272'-4324'	1000	4250'-4308'		4252'-4278'		4218'-4279'		4322'-4395'		Interval		Injection	
12.5	42221	7174	4) 1)	7170	4100'		4192'		4158'		4262'		Depth	1 40000	Packer	
2 3/0	7 3/8"	2 3/8)) 	2 3/0))/o#	0,70	7 3/8"	- 5.0	2 3/8"		2 3/8"		Size	Smon	Tuhing	
11/1Sd 7:) aci/A	.2 psi/ft		.∠ psvπ		17 hed 7.	2 m::/4	11 /10d z:	.2 psi/ft		2 nei/fr		Gradient	rressure	Dunger	
800 PSIG	05/ 05/7	854 PSIG		850 PSIG		038 F3IG	020 000	010.1 440	844 Dele	0101	861 BSIG		Pressure	Injection		

All wells in Lea County, New Mexico