



FOR RECORD ONLY

NEW MEXICO ENERGY, MINERALS and
NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

ADMINISTRATIVE ORDER NO. WFX-775

APPLICATION OF PHILLIPS PETROLEUM 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-3154, Phillips Petroleum Company made application to the Division on May 7, 2001, for permission to expand its Phillips Leamex 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 Phillips Petroleum Company owns all the affected offset acreage.
- (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 Phillips Leamex Waterflood Project will not cause waste nor impair correlative rights.
- (6) The application should be approved.

IT IS THEREFORE ORDERED THAT:

The applicant, Phillips Petroleum Company is hereby authorized to inject water into the Grayburg-San Andres formation through the gross perforated and/or open hole interval from approximately 4,180 feet to approximately 4,750 feet through 2 3/8-inch plastic-lined tubing set in a packer located within 100 feet of the uppermost injection perforations or casing shoe within the six wells shown on Exhibit "A" attached hereto, for purposes of secondary recovery to wit.

Administrative Order WFX-775

Phillips Petroleum Company

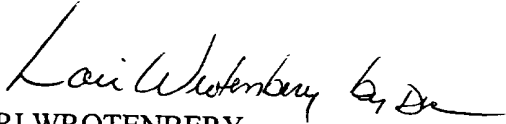
June 12, 2001

Page 3

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 12th day of June, 2001.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


LORI WROTENBERY
Director

S E A L

LW/DRC

cc: Oil Conservation Division - Hobbs /
State Land Office-Oil & Gas Division

Exhibit "A"
Division Order No. WFX-775
Phillips Leamex Waterflood Project
Approved Injection Wells

Well Name & Number	API Number	Well Location (All in Township 17 South, Range 33 East)	Injection Interval	Packer Depth
Leamex No. 58	30-025-35570	660' FSL & 2130' FEL, Unit O, Section 24	4,180' - 4,750'	4,140'
Leamex No. 59	30-025-35571	760' FSL & 700' FWL, Unit M, Section 24	4,180' - 4,750'	4,140'
Leamex No. 60	30-025-35572	1980' FSL & 1980' FWL, Unit K, Section 24	4,180' - 4,750'	4,140'
Leamex No. 61	30-025-35573	660' FNL & 1940' FWL, Unit C, Section 25	4,180' - 4,750'	4,140'
Leamex No. 62	30-025-35574	1980' FSL & 660' FEL, Unit I, Section 23	4,180' - 4,750'	4,140'
Leamex No. 63	30-025-35575	1980' FNL & 660' FWL, Unit E, Section 24	4,180' - 4,750'	4,140'