



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. PMX-217

APPLICATION OF TEXACO EXPLORATION & PRODUCTION, INC. TO EXPAND ITS TERTIARY RECOVERY PROJECT IN THE VACUUM-GRAYBURG SAN ANDRES POOL IN LEA COUNTY, NEW MEXICO

ADMINISTRATIVE ORDER OF THE OIL CONSERVATION DIVISION

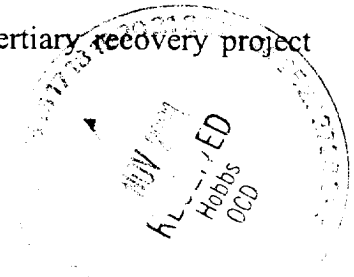
Under the provisions of Division Order No. R-4442, as amended, Texaco Exploration & Production, Inc. has made application to the Division on October 26, 2001, for permission to expand its Vacuum Grayburg San Andres Unit Tertiary Recovery Project in Vacuum-Grayburg San Andres Pool in Lea County, New Mexico.

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 well is eligible for conversion to injection under the terms of Rule 701.
- (5) The proposed expansion of the above referenced tertiary recovery project will not cause waste nor impair correlative rights.
- (6) The application should be approved.

IT IS THEREFORE ORDERED THAT:

The applicant, Texaco Exploration & Production, Inc., is hereby authorized to inject water, carbon dioxide (CO₂), and produced gas into the Grayburg and San Andres



formations at approximately 4250 feet to approximately 4730 feet through 2 7/8-inch fiberglass lined tubing set in a packer located approximately 100 feet above the 5 1/2 inch casing shoe in the following described well for purposes of tertiary recovery injection:

Vacuum Grayburg San Andres Unit No. 133
API No. N/A
2590' FNL & 1270' FWL, (Unit E)
Section 1, Township 18 South, Range 34 East, NMPM

IT IS FURTHER ORDERED THAT:

The operator shall take all steps necessary to ensure that the injected fluid enters only the proposed injection interval and is not permitted to escape to other formations or onto the surface.

Prior to commencing injection operations, 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.

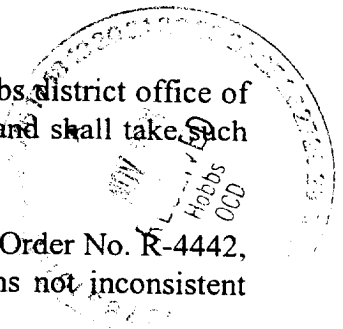
The injection well or system shall be equipped with a pressure limiting device which will limit the wellhead pressure on the injection well to no more than:

850 psig for water injection
1200 psig for CO₂ injection

The Director of the Division may authorize an increase in injection pressure upon a proper showing by the operator that such higher pressure will not result in migration of the injected fluid from the Grayburg and San Andres formations.

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 well and shall take such steps as may be timely and necessary to correct such failure or leakage.

The subject well shall be governed by all provisions of Division Order No. R-4442, as amended, and Rules 702-706 of the Division Rules and Regulations not inconsistent herewith.

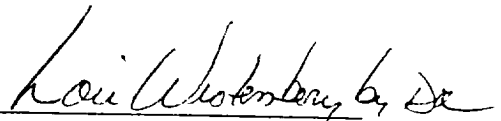


PROVIDED FURTHER THAT, jurisdiction is retained by the Division for the entry of such further orders as may be necessary for the prevention of waste and/or protection of correlative rights or upon failure of the operator to conduct operations (1) to protect fresh water or (2) consistent with the requirements 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 well, 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 13th day of November, 2001.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION



LORI WROTENBERY
Director

S E A L

LW/DRC

cc: Oil Conservation Division - Hobbs ✓

