

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:

See Also Encls.
No. R-9596

CASE NO. 22432
ORDER NO. R-9596-A

APPLICATION OF AMERADA HESS CORPORATION FOR WATERFLOOD
EXPANSION AND AUTHORIZATION TO INJECT, LEA COUNTY, NEW
MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on October 5, 2000 at Santa Fe, New Mexico, before Examiner Mark W. Ashley.

NOW, on this 9th day of November, 2000, the Division Director, having considered the testimony, the record and the recommendations of the Examiner,

FINDS THAT:

- (1) Due public notice has been given and the Division has jurisdiction of this case and its subject matter.
- (2) The applicant, Amerada Hess Corporation ("Amerada"), is the operator of the North Monument Grayburg-San Andres Unit Waterflood Project ("NMGSAU"), Lea County, New Mexico. The NMGSAU was originally defined and authorized by Division Order No. R-9596, issued in Case No. 10252 and dated October 15, 1991.
- (3) By Division Order No. R-9494, issued in Case No. 10253 and dated May 1, 1991, the Division, upon application of Amerada, approved the North Monument Grayburg-San Andres Unit, which comprises some 13,385 acres in Townships 19 and 20 South, Ranges 36 and 37 East, NMPM, Lea County, New Mexico. The unitized interval is the Grayburg and San Andres formations.
- (4) Amerada seeks authority to expand the NMGSAU by converting two existing producing wells, described as follows, in Township 19 South, Range 37 East, NMPM, Lea County, New Mexico, to injection wells to improve recovery efficiency of the waterflood patterns and enhance production: