

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 3307
Order No. R-2975
NOMENCLATURE

APPLICATION OF ARWOOD STOWE & COMPANY
FOR THE CREATION OF A POOL, SPECIAL POOL
RULES, AND A WATERFLOOD PROJECT, SANDOVAL
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on October 6, 1965, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 7th day of October, 1965, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Arwood Stowe & Company, seeks the creation of a new oil pool for Mesaverde production in the NE/4 of Section 33, Township 18 North, Range 3 West, NMPM, Sandoval County, New Mexico.

(3) That the Mesaverde formation underlying the NE/4 of Section 33, Township 18 North, Range 3 West, NMPM, Sandoval County, New Mexico, constitutes a separate common source of supply which should be designated the South San Luis-Mesaverde Oil Pool.

(4) That the applicant also seeks the promulgation of special rules governing said pool, including a provision authorizing less than 40-acre spacing and a provision authorizing well

locations no nearer than 150 feet to a quarter-quarter section line and no nearer than 300 feet to a well producing from the pool.

(5) That adoption of the proposed special rules and regulations will prevent waste and protect correlative rights, provided a 40-acre proration unit does not receive more than a 40-acre top unit allowable for wells in the 0-5000 foot depth range in Northwest New Mexico, regardless of the number of wells on the 40-acre unit.

(6) That the applicant also seeks permission to institute a waterflood project in the South San Luis-Mesaverde Oil Pool by the injection of water into the Mesaverde formation through four wells in Section 33, Township 18 North, Range 3 West, NMPM, Sandoval County, New Mexico.

(7) That the wells in the project area are in an advanced state of depletion and should properly be classified as "stripper" wells.

(8) That the proposed waterflood project should result in the recovery of otherwise unrecoverable oil, thereby preventing waste.

(9) That the proposed waterflood project should be approved and should be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

(10) That an administrative procedure should be established whereby the Secretary-Director of the Commission may approve additional injection or producing wells at unorthodox locations if he determines that such approval will increase the efficiency of the waterflood project herein authorized.

IT IS THEREFORE ORDERED:

(1) That a new pool in Sandoval County, New Mexico, classified as an oil pool for Mesaverde production, is hereby created and designated the South San Luis-Mesaverde Oil Pool, with vertical limits comprising the Mesaverde formation and horizontal limits comprising the NE/4 of Section 33, Township 18 North, Range 3 West, NMPM, Sandoval County, New Mexico.

(2) That Special Rules and Regulations for the South San Luis-Mesaverde Oil Pool are hereby promulgated as follows:

SPECIAL RULES AND REGULATIONS
FOR THE
SOUTH SAN LUIS-MESAVERDE OIL POOL

RULE 1. Each well completed or recompleted in the South San Luis-Mesaverde Oil Pool or in the Mesaverde formation within one mile thereof, and not nearer to or within the limits of another designated Mesaverde oil pool, shall be spaced, drilled, operated, and produced in accordance with the Special Rules and Regulations hereinafter set forth.

RULE 2. Each well shall be located no nearer than 150 feet to a quarter-quarter section line and no nearer than 300 feet to any other well producing from the same pool.

RULE 3. A 40-acre proration unit shall not produce in excess of the 40-acre top unit allowable for wells in the 0-5000 foot depth range in Northwest New Mexico, regardless of the number of wells on the unit.

IT IS FURTHER ORDERED:

(1) That the applicant, Arwood Stowe & Company, is hereby authorized to institute a waterflood project in the South San Luis-Mesaverde Oil Pool by the injection of water into the Mesaverde formation through the following-described wells in Section 33, Township 18 North, Range 3 West, NMPM, Sandoval County, New Mexico:

Well No. 1, located 330 feet from the North line
and 990 feet from the East line;

Well No. 2, located 330 feet from the North line
and 330 feet from the East line;

Well No. 4, located 990 feet from the North line
and 990 feet from the East line; and

Well No. 5, located 990 feet from the North line
and 330 feet from the East line.

(2) That the subject waterflood project shall be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

(3) That monthly progress reports of the waterflood project herein authorized shall be submitted to the Commission in accordance with Rules 704 and 1120 of the Commission Rules and Regulations.

(4) That the Secretary-Director of the Commission is hereby authorized to approve additional injection or producing wells at unorthodox locations in the subject waterflood project in accordance with the following-described administrative procedure:

1. An application shall be filed in TRIPLICATE and shall be accompanied by a plat showing the location of the proposed well and all other wells in the project area.
2. Any offset operator desiring notice of such applications shall notify the Secretary-Director and the operator of the waterflood project.
3. The applicant shall forward a copy of the application and plat to all offset operators who have requested notice, and the application shall state that such notice has been furnished.
4. The Secretary-Director may approve the application if he determines that approval will increase the efficiency of the waterflood project and no offset operator has requested notice of the application or has not objected within ten days after the Secretary-Director has received the application.

(5) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

JACK M. CAMPBELL, Chairman

GUYTON B. HAYS, Member

S E A L

esr/

A. L. PORTER, JR., Member & Secretary