

CASE 5565: ATLANTIC RICHFIELD
COMPANY FOR A WATERFLOOD PROJECT,
LEA COUNTY, NEW MEXICO

Continued to Nov. 5

CASE NO.

5565

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,
ETC.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
November 5, 1975

EXAMINER HEARING

IN THE MATTER OF:

Application of Atlantic Richfield
Company for a waterflood project,
Lea County, New Mexico.

CASE
5565

BEFORE: Richard L. Stamets, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil
Conservation Commission:

William F. Carr, Esq.
Legal Counsel for the Commission
State Land Office Building
Santa Fe, New Mexico

sid morrish reporting service

General Court Reporting Service
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
Phone (505) 982-9212

1 MR. STAMETS: We will call the next Case, 5565.

2 MR. CARR: Case 5565, application of Atlantic
3 Richfield Company for a waterflood project, Lea County,
4 New Mexico.

5 Mr. Examiner, we have received a motion from
6 Mr. Clarence Hinkle, attorney for Atlantic Richfield Company,
7 that this Case be dismissed.

8 MR. STAMETS: Case 5565 will be dismissed.
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aid morrish reporting service

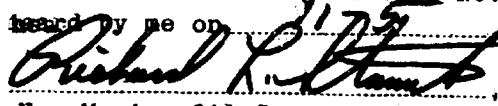
Gene
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REPORTER'S CERTIFICATE

I, SIDNEY F. MORRISH, a court reporter, do hereby
certify that the foregoing and attached Transcript of Hearing
before the New Mexico Oil Conservation Commission was reported
by me, and the same is a true and correct record of the said
proceedings to the best of my knowledge, skill and ability.


Sidney F. Morrish, Court Reporter

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 5565
heard by me on 11/7/75 19 75
, Examiner
New Mexico Oil Conservation Commission

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. 5565
Order No. R-5116

APPLICATION OF ATLANTIC RICHFIELD
COMPANY FOR A WATERFLOOD PROJECT,
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on November 5, 1975,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 17th day of November, 1975, the Commission,
a quorum being present, having considered the record and the
recommendations of the Examiner, and being fully advised in
the premises,

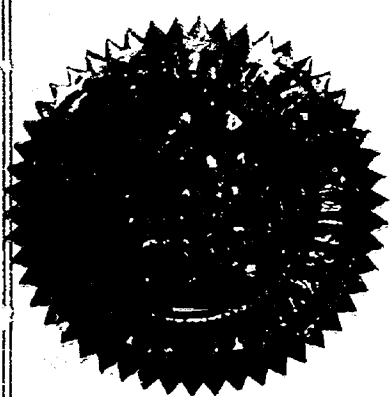
FINDS:

That the applicant's request for dismissal should be
granted.

IT IS THEREFORE ORDERED:

That Case No. 5565 is hereby dismissed.

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



STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

Phil R. Lucero
PHIL R. LUCERO, Chairman

Emery C. Arnold
EMERY C. ARNOLD, Member

Joe D. Ramey
JOE D. RAMEY, Member & Secretary

S E A L

dr/

CLARENCE E. HINKLE
W. E. BONDURANT, JR. (914-1973)
LEWIS C. COX, JR.
PAUL W. EATON, JR.
CONRAD E. COFFIELD
HAROLD L. HENSLEY, JR.
STUART D. SHANOR
C. D. MARTIN
PAUL J. KELLY, JR.
JAMES H. BOZARTH
RONALD G. HARRIS
JAMES H. ISBELL

LAW OFFICES
HINKLE, BONDURANT, COX & EATON

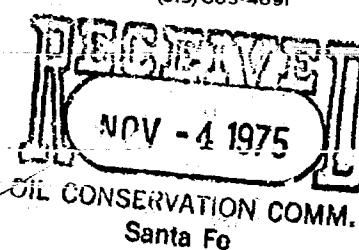
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MR. ISBELL LICENSED
IN TEXAS ONLY

MIDLAND, TEXAS OFFICE
521 MIDLAND TOWER
(915) 683-4691

November 3, 1975



Oil Conservation Commission
Box 2088
Santa Fe, New Mexico 87501

Re: Case No. 5565 - examiner's
docket, November 5, 1975

Gentlemen:

The captioned case is the application of Atlantic Richfield Company for a waterflood project involving two state leases in Section 32, Township 17 South, Range 34 East, Lea County. Atlantic Richfield has just advised us that it looks as though a unit will be formed to take in some additional acreage in the waterflood project. You may consider this as the motion of Atlantic Richfield for dismissal of the captioned case.

Yours sincerely,

HINKLE, BONDURANT, COX & EATON

By 

CEH:cs

cc: R. M. Malaise

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
October 8, 1975

EXAMINER HEARING

IN THE MATTER OF:

Application of Atlantic Richfield
Company for a waterflood project,
Lea County, New Mexico.

CASE
5565

BEFORE: Richard L. Stamets, Examiner.

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil
Conservation Commission:

William F. Carr, Esq.
Legal Counsel for the Commission
State Land Office Building
Santa Fe, New Mexico

sid morrish reporting service
General Court Reporting Service
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
Phone (505) 982-9212

1 MR. STAMETS: The Hearing will please come to
2 order. We will call the first Case, 5565.

3 MR. CARR: Case 5565, application of Atlantic
4 Richfield Company for a waterflood project, Lea County,
5 New Mexico.

6 Mr. Examiner, the applicant has requested that
7 this Case be continued to the November 5th Examiner Hearing.

8 MR. STAMETS: Case 5565 will be so continued.

sid morrish reporting service

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Page 3

State of New Mexico)
County of Santa Fe) ss.

I, SIDNEY F. MORRISH, a court reporter, do hereby
certify that the foregoing and attached Transcript of Hearing
before the New Mexico Oil Conservation Commission was reported
by me, and the same is a true and correct record of the said
proceedings to the best of my knowledge, skill and ability.

Sidney F. Morrish
Sidney F. Morrish, Court Reporter

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 5363
heard by me on 10-8-75 1975
Richard L. Stamm, Examiner
New Mexico Oil Conservation Commission

Docket No. 28-75

Dockets Nos. 29-75 and 30-75 are tentatively set for hearing on November 19 and December 3, 1975. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - NOVEMBER 5, 1975

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Richard L. Stamets, Examiner, or Daniel S. Nutter, Alternate Examiner:

CASE 5553: (Continued from September 24, 1975 Examiner Hearing)

Application of Southern Union Production Company for compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Ellenburger formation underlying the N/2 of Section 21, Township 12 South, Range 26 East, Chaves County, New Mexico, to be dedicated to a well to be drilled at an orthodox location in Unit 7 of said Section 21. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision. Also to be considered will be the designation of the applicant as the operator of the well and a charge for the risk involved in drilling said well.

CASE 5565: (Continued from October 8, 1975 Examiner Hearing)

Application of Atlantic Richfield Company for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the Vacuum Crayburg-San Andres Pool by injection of water through seven wells on its State "B" and State "C" Leases, six of said wells being converted producers located in Units C, L, I, K, M, and O of Section 32, Township 17 South, Range 34 East, Lea County, New Mexico, and the seventh being a new well drilled at an unorthodox location 250 feet from the South line and 2250 feet from the West line of said Section 32. Applicant further seeks an administrative procedure whereby the project area could be expanded and additional wells at standard and non-standard locations put on injection and production.

CASE 5576: (Continued from October 22, 1975 Examiner Hearing)

Application of George D. Riggs for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the Saladar-Yates Pool by the injection of water through his Hughes-Federal No. 4, Malco Well No. 2, and Mayfield Federal No. 4 Wells located, respectively, in Units F, L, and O of Section 33, Township 20 South, Range 28 East, Eddy County, New Mexico.

CASE 5578: Application of Mobil Oil Corporation for a non-standard gas proration unit, two unorthodox gas well locations, and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the simultaneous dedication of a 320-acre non-standard gas proration unit comprising the W/2 SW/4 and the SE/4 SW/4 of Section 28, and the NW/4 and SW/4 NE/4 of Section 33, Township 21 South, Range 37 East, Edmont Gas Pool, Lea County, New Mexico, to its E. O. Carson Wells Nos. 4 and 22 located in Units N and L, respectively, of said Section 28.

CASE 5579: Application of Exxon Corporation for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Laguna Grande Unit Area comprising 7640 acres, more or less, of Federal, State, and fee lands in Township 23 South, Range 29 East, Eddy County, New Mexico.

CASE 5580: Application of Cities Service Oil Company for compulsory pooling and an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the W/2 of Section 18, Township 22 South, Range 27 East, South Carlsbad Gas Field, Eddy County, New Mexico, to be dedicated to a well to be drilled at an unorthodox location 1650 feet from the South line and 1980 feet from the West line of said Section 18. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 5581: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Astro-Tex Oil Corporation of New Mexico, American Employers' Insurance Company and all other interested parties, to appear and show cause why the Cain Well No. 2 located in Unit J of Section 22, Township 15 North, Range 33 East, NMPM, Harding County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 5582: Southeastern New Mexico nomenclature case calling for an order for the creation and extension of certain pools in Eddy, Lea, and Chaves Counties, New Mexico.

(a) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the Bass-Morrow Gas Pool. The discovery well is the Perry R. Bass Big Eddy Unit Well No. 39 located in Unit G of Section 29, Township 21 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 28 EAST, NMPM
Section 29: E/2

(b) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Cherry Canyon production and designated as the South Carlsbad-Cherry Canyon Pool. Further to assign approximately 16,275 barrels of oil discovery allowable to the discovery well, the Belco Petroleum Company Martin Com Well No. 2, located in Unit F of Section 20, Township 22 South, Range 27 East, NMPM. Said well was completed September 12, 1975. The top of the perforations is at 3253 feet. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 27 EAST, NMPM
Section 20: NW/4

(c) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Wolfcamp production and designated as the Corral Draw-Wolfcamp Gas Pool. The discovery well is the Mobil Oil Corporation Corral Draw Unit Well No. 2 located in Unit K of Section 22, Township 25 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 25 SOUTH, RANGE 29 EAST, NMPM
Section 22: SW/4

(d) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Wolfcamp production and designated as the Phantom Draw-Wolfcamp Gas Pool. The discovery well is the Texas Pacific Oil Company, Inc. Phantom Draw Unit Well No. 1, located in Unit M of Section 20, Township 26 South, Range 31 East, NMPM. Said pool would comprise:

TOWNSHIP 26 SOUTH, RANGE 31 EAST, NMPM
Section 20: SW/4

(e) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Bone Springs production and designated as the Sand Dunes-Bone Springs Pool. The discovery well is the Skelly Oil Company Federal Sand 18 Well No. 1, located in Unit H of Section 18, Township 23 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 32 EAST, NMPM
Section 18: E/2

(f) EXTEND the Atoka-Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM
Section 1: W/2
Section 3: E/2

(g) EXTEND the South Bell Lake-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 34 EAST, NMPM
Section 6: S/2
Section 7: N/2

(h) EXTEND the Blinbry Oil and Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
Section 27: NW/4

(i) EXTEND the Casey-Strawn Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 37 EAST, NMPM
Section 34: NW/4

(j) EXTEND the East Carlsbad-Wolfcamp Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 27 EAST, NMPM
Section 1: NE/4

(k) EXTEND the Cemetary-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 25 EAST, NMPM
Section 28: N/2

(l) EXTEND the Double L-Queen Associated Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 30 EAST, NMPM
Section 32: SE/4
Section 33: SW/4

(m) EXTEND the Drinkard Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM
Section 18: NE/4

(n) EXTEND the Indian Draw-Delaware Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 28 EAST, NMPM
Section 18: S/2 NE/4 & E/2 SW/4

(o) EXTEND the West Knowles-Drinkard Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 37 EAST, NMPM
Section 35: NW/4

(p) EXTEND the Langlie Mattix Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 36 EAST, NMPM
Section 3: NW/4

(q) EXTEND the Llano-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 11 SOUTH, RANGE 35 EAST, NMPM
Section 31: NE/4

(r) EXTEND the Penasco Draw San Andres-Yeso Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 24 EAST, NMPM
Section 1: SE/4 SW/4

(s) EXTEND the Red Tank-Morrow Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 32 EAST, NMPM
Section 17: All

(t) EXTEND the Sand Dunes-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 31 EAST, NMPM
Section 25: W/2

(u) EXTEND the Shugart Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM
Section 23: E/2 SW/4

(v) EXTEND the Tom Tom-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 7 SOUTH, RANGE 31 EAST, NMPM
Section 27: SE/4

(w) EXTEND the Tres Papalotes-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 34 EAST, NMPM
Section 28: SE/4

(x) EXTEND the Tulk-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 32 EAST, NMPM
Section 27: NW/4

(y) EXTEND the North Vacuum-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 34 EAST, NMPM
Section 35: SE/4

Examiner Hearing - Wednesday - November 5, 1975

Docket No. 28-75

-6-

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM
Section 2: E/2

(z) EXTEND the Vada-Pennsylvanian Pool in Lea County, New Mexico,
to include therein:

TOWNSHIP 9 SOUTH, RANGE 33 EAST, NMPM
Section 3: SE/4

(aa) EXTEND the Wantz-Granite Wash Pool in Lea County, New Mexico,
to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 1: NE/4

TOWNSHIP 22 SOUTH, RANGE 38 EAST, NMPM
Section 19: SE/4

(bb) EXTEND the Warren-Tubb Gas Pool in Lea County, New Mexico, to
include therein:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
Section 34: NW/4

CLARENCE E. HINKLE
W. E. BONDURANT, JR. (194-1973)
LEWIS C. COX, JR.
PAUL W. EATON, JR.
CONRAD E. COFFIELD
HAROLD L. HENSLEY, JR.
STUART D. SHANOR
C. D. MARTIN
PAUL J. KELLY, JR.
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LAW OFFICES
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October 6, 1975

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521 MIDLAND TOWER
(915) 683-4891

Oil Conservation Commission
Box 2088
Santa Fe, New Mexico 87501

Gentlemen:

We represent Atlantic Richfield Company in connection with Case No. 5565 which appears on the examiner's docket for October 8. This is an application for a waterflood project in the Vacuum Grayburg-San Andres Pool. Bob Malaise of Atlantic called this morning and stated that they had been negotiating with adjoining owners for border protection agreement. They had hoped to have these completed by the time of the hearing; however, it now appears there will be some delay and for that reason they would like to have this case continued until the first examiner's hearing in November.

You may consider this as a motion on behalf of Atlantic for that purpose.

Yours sincerely,

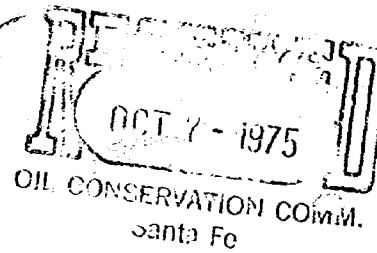
HINKLE, BONDURANT, COX & EATON

BY

[Signature]

CEH:cs

*Cont Case
5565
to Ex 1449
Nov 5*



Docket No. 24-75

Dockets Nos. 25-75 and 26-75 are tentatively set for hearing on October 15 and October 22, 1975. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - OCTOBER 8, 1975

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Richard L. Stamets, Examiner, or Daniel S. Nutter, Alternate Examiner:

CASE 5048: (Continued from September 10, 1975 Examiner Hearing)

In the matter of Case No. 5048 being reopened pursuant to the provisions of Order No. R-4637 which order established the South Dagger Draw-Upper Pennsylvanian Associated Pool and promulgated special pool rules therefor, including provisions for 320-acre proration units and a limiting gas-oil ratio of 8,000 to 1. All interested parties may appear and show cause why said special pool rules should remain in effect.

CASE 5551: (Continued from September 10, 1975 Examiner Hearing)

Application of Dalport Oil Corporation and Burk Royalty Co. for compulsory pooling and an unorthodox gas well location, Chaves County, New Mexico. Applicants, in the above-styled cause, seek an order pooling all mineral interests in the Queen formation underlying the W/2 of Section 17, Township 12 South, Range 31 East, Southeast Chaves-Queen Gas Area, Chaves County, New Mexico, to be dedicated to a well drilled at an unorthodox location 660 feet from the South and West lines of said Section 17. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision. Also to be considered will be the designation of the applicant as the operator of the well and a charge for the risk involved in drilling said well.

CASE 5555: (Continued from September 24, 1975 Examiner Hearing)

Application of Lone Star Producing Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced water into the Devonian formation through the open-hole interval from 12,180 feet to 12,226 feet in its Santa Fe Well No. 2 located in Unit 0 of Section 19, Township 9 South, Range 37 East, East Crossroads-Devonian Pool, Lea County, New Mexico.

CASE 5563: Application of Llano, Inc. for a unit agreement, Lea and Eddy Counties, New Mexico. Applicant, in the above-styled cause, seeks approval for the Lusk Strawn Deep Unit Area comprising 20,864 acres, more or less, of State and Federal lands in Townships 18, 19, and 20 South, Ranges 31 and 32 East, Lusk Strawn Pool, Lea and Eddy Counties, New Mexico.

CASE 5564: Application of Llano, Inc. for a pressure maintenance project, Lea and Eddy Counties, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pilot pressure maintenance project in the Lusk Strawn Pool, Lea and Eddy Counties, New Mexico, by the injection of gas into the Strawn formation through two wells in its Lusk Strawn Deep Unit Area. Applicant further seeks rules governing said project, including but not limited to provision for expansion of the project area, placing additional wells on injection, changes in injection pattern for sweep efficiency and determination of project allowable.

CASE 5565: Application of Atlantic Richfield Company for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the Vacuum Grayburg-San Andres Pool by injection of water through seven wells on its State "B" and State "C" Leases, six of said wells being converted producers located in Units C, E, I, K, M, and O of Section 32, Township 17 South, Range 34 East, Lea County, New Mexico, and the seventh being a new well drilled at an unorthodox location 250 feet from the South line and 2250 feet from the West line of said Section 32. Applicant further seeks an administrative procedure whereby the project area could be expanded and additional wells at standard and non-standard locations put on injection and production.

CASE 5566: Application of James P. Graham for a non-standard proration unit and compulsory pooling, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests underlying a non-standard oil proration unit comprising the SW/4 NE/4 SE/4, NW/4 SE/4 SE/4, NE/4 SW/4 SE/4, and the SE/4 NW/4 SE/4 of Section 12, Township 13 South, Range 31 East, Caprock Queen Pool, Chaves County, New Mexico, to be dedicated to a well to be drilled at an unorthodox location 1340 feet from the South line and 1300 feet from the East line of said Section 12, said location having been previously been approved by Order No. R-4750. Also to be considered will be the cost of drilling and completing said well and the allocation of such costs, as well as actual operating costs and charges for supervision. Also to be considered is the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 5567: Application of Belco Petroleum Corporation for compulsory pooling and an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the W/2 of Section 5, Township 22 South, Range 27 East, Eddy County, New Mexico, to be dedicated to a well to be drilled at an unorthodox location 660 feet from the South line and 1980 feet from the West line of said Section 5. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision. Also to be considered will be the designation of the applicant as the operator of the well and a charge for the risk involved in drilling said well.

- CASE 5568: Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its ARCO EC Well No. 2 to be drilled at a point 1980 feet from the South line and 1100 feet from the East line of Section 36, Township 17 South, Range 25 East, Eddy County, New Mexico, to have dedicated the S/2 of said Section 36.
- CASE 5569: Application of Yates Petroleum Corporation for amendment of certain provisions of Rule 104 C.II.(a) of the General Rules and Regulations for acreage and well location requirements for gas development wells in Southeastern New Mexico. Applicant, in the above-styled cause, seeks to amend Rules 104 B.I(a) and 104 C.II(a) to include the Wolfcamp formation under the standard 320-acre gas spacing and well location requirements for Southeastern New Mexico, or in the alternative, the applicant seeks special rules for gas wells completed in the Wolfcamp formation in Township 17 South, Ranges 25 and 26 East, Township 18 South, Ranges 24, 25, and 26 East, and Township 19 South, Ranges 23, 24, and 25 East, Eddy County, New Mexico, providing for 320-acre spacing and well location requirements.
- CASE 5570: Application of Filon Exploration Corporation for salt water disposal, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced water by injection into the Gallup formation through the perforated interval from approximately 3080 to 3600 feet in its Federal 11-C Well No. 2, located in Unit P of Section 11, Township 19 North, Range 4 West, Sandoval County, New Mexico.
- CASE 5571: Application of Robert G. Cox for amendment of Order No. R-4561, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks amendment of Order No. R-4561, which order permitted the directional drilling of applicant's Federal "EA" Well No. 1, located 330 feet from the North and West lines of Section 12, Township 18 South, Range 27 East, Empire-Abo Pool, Eddy County, New Mexico, in such a manner as to be bottomed within 100 feet of the surface location. Applicant seeks the amendment of said order to permit bottoming of the subject well approximately 58 feet from the North line and 8 feet from the West line of said Section 12 and to permit verification of said downhole location by single-shot directional surveys made concurrently with the drilling of said well.

Docket No. 25-75

Dockets Nos. 26-75 and 27-75 are tentatively set for hearing on October 22 and November 5, 1975. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - OCTOBER 15, 1975
9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Daniel S. Nutter, Examiner, or Richard L. Stamets, Alternate Examiner:

- ALLOWABLE:
- (1) Consideration of the allowable production of gas from seven-teen prorated pools in Lea, Eddy, Roosevelt, and Chaves Counties, New Mexico, for November, 1975.
 - (2) Consideration of the allowable production of gas from five prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico, for November, 1975.

CLARENCE E. HINKLE
W. E. BONDURANT, JR. (914-1973)
LEWIS C. COX, JR.
PAUL W. EATON, JR.
CONRAD E. COFFIELD
HAROLD L. HENSLEY, JR.
STUART D. SHANOR
C. D. MARTIN
PAUL J. KELLY, JR.
JAMES H. BOZARTH
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September 25, 1975

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Oil Conservation Commission
Box 2088
Santa Fe, New Mexico 87501

Gentlemen:

We enclose herewith in triplicate application of
Atlantic Richfield Company for approval of a waterflood
project in Section 32, Township 17 South, Range 34 East, Lea
County.

We have requested by telephone that this matter be
docketed for the examiner's hearing to be held on October 8.

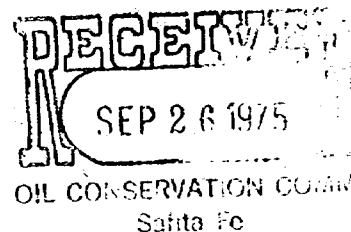
Yours very truly,

HINKLE, BONDURANT, COX & EATON

BY Clarence E. Hinkle
CJ

CEH:cs
Enc.

cc: Mr. R. M. Malaise



BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

APPLICATION OF ATLANTIC RICHFIELD COMPANY FOR APPROVAL OF A WATERFLOOD PROJECT COVERING ITS STATE "B" AND "C" LEASES EMBRACING THE NW $\frac{1}{4}$ AND S $\frac{1}{2}$ SECTION 32, TOWNSHIP 17 SOUTH, RANGE 34 EAST, LEA COUNTY, NEW MEXICO. APPLICANT PROPOSES TO INJECT WATER INTO THE SAN ANDRES FORMATION THROUGH SEVEN INJECTION WELLS. APPLICANT ALSO SEEKS APPROVAL OF A PROJECT ALLOWABLE AND THE ESTABLISHMENT OF ADMINISTRATIVE PROCEDURE WHEREBY THE LOCATION OF THE INJECTION WELLS MAY BE CHANGED OR ADDITIONAL PRODUCING WELLS CONVERTED TO INJECTION WELLS.

Oil Conservation Commission
Box 2088
Santa Fe, New Mexico 87501

Comes Atlantic Richfield Company, acting by and through the undersigned attorneys, and hereby makes application for approval of a waterflood project covering its State "B" and "C" leases embracing the NW $\frac{1}{4}$ and S $\frac{1}{2}$ Section 32, Township 17 South, Range 34 East, Lea County, New Mexico. Applicant proposes to inject water into the San Andres formation through seven injection wells. Applicant also seeks approval of a project allowable and the establishment of administrative procedure whereby the location of the injection wells may be changed or additional producing wells converted to injection wells, and in support thereof respectfully shows:

1. Applicant is the owner of two oil and gas leases issued by the Commissioner of Public Lands of the State of New Mexico covering state lands, one of which, known as the "B" lease, covers the NW $\frac{1}{4}$ and the other, known as the "C" lease, covers the S $\frac{1}{2}$ of Section 32, Township 17 South, Range 34 East, Lea County. There are twelve producing wells located on the above described leases producing from the San Andres formation. All of said wells have reached an advance stage of depletion and are regarded as "stripper" wells.

Applicant proposes to convert six of said producing wells to injection wells and to drill one additional injection well for the

for the purpose of injecting water into the San Andres formation. The 6 producing wells which will be converted to injection wells are as follows:

Well #4B - Unit C	Well #3B - Unit E
Well #3C - Unit K	Well #1C - Unit I
Well #8C - Unit M	Well #5C - Unit O

The injection well to be drilled will be located at an unorthodox location 2250 feet from the west line and 250 feet from the south line of said Section 32. There is attached hereto as Exhibit "A" a plat showing the location of the project area, together with the wells located thereon and the wells which have been drilled within a radius of 2 miles. There is also attached as Exhibit "B" a plat showing the proposed injection wells within the project area and the additional well which is to be drilled as an injection well. Exhibit "A" also shows the outlines of the West Vacuum Unit which adjoins the project area to the east and shows the wells within said unit area which have been converted to injection wells, as well as some injection wells on leasehold interests to the north and northeast of the project area.

2. There are filed herewith copies of the logs of the respective wells which are to be converted to injection wells.

3. There are also filed herewith diagrammatic sketches of the proposed injection wells showing all casing strings, including diameters and setting depths, quantities used and tops of cement, perforated or open hole intervals, tubing strings including diameters and setting depths, and the type and location of packers.

4. Applicant is in the process of negotiating for a sufficient volume of fresh water to be injected for waterflood purposes and it is anticipated that 4,000 barrels per day will be injected into the project area.

5. Applicant also seeks approval of a project allowable and the establishment of an administrative procedure whereby the location of the injection wells may be changed or additional producing wells converted to injection wells.

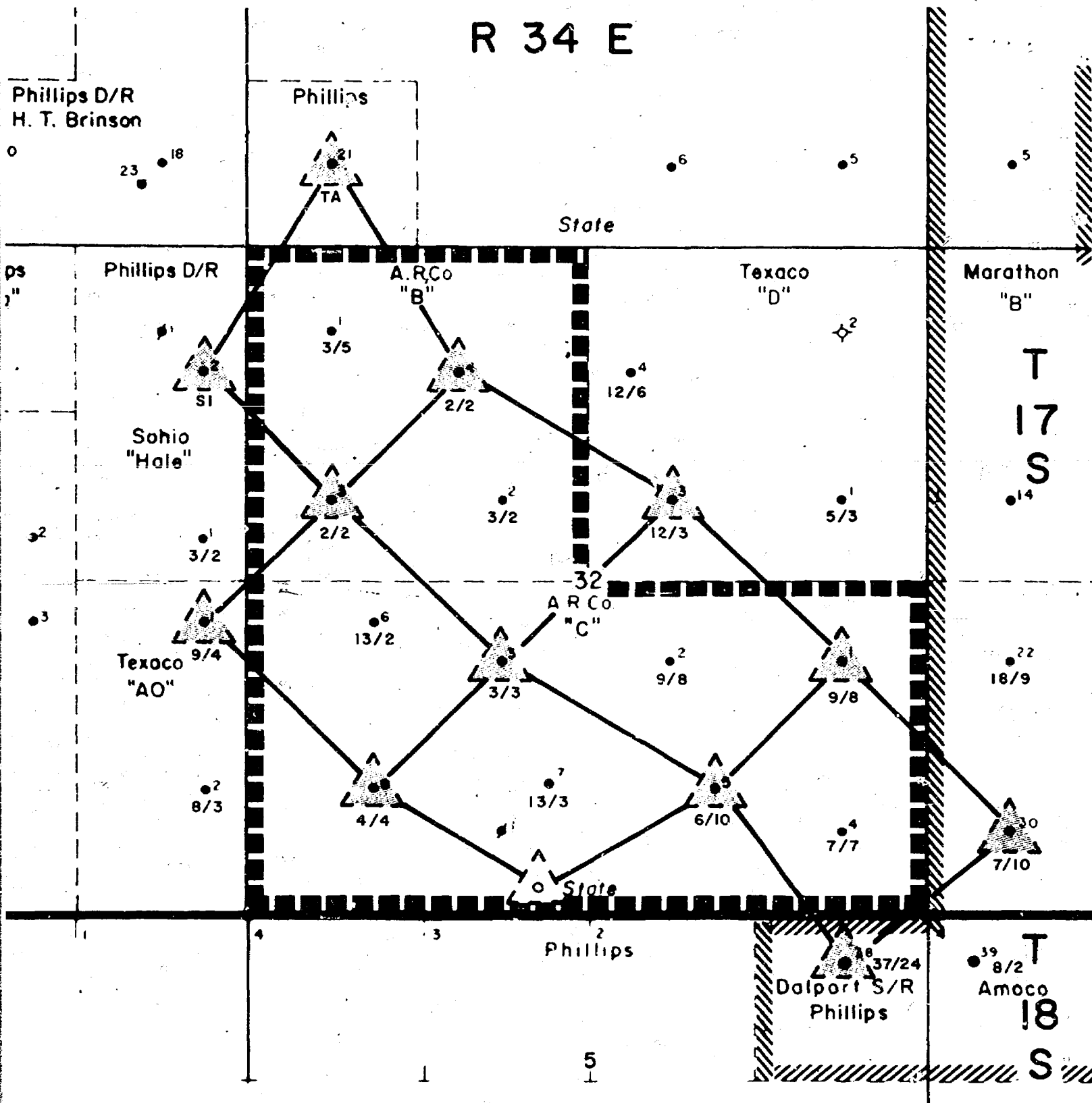
6. Applicant requests that this matter be set down for hearing at the examiner's hearing to be held on October 8, 1975.

Respectfully submitted,

ATLANTIC RICHFIELD COMPANY

By Clarence E. Hinkle
HINKLE, BONDURANT, COX & EATON (P)
P.O. Box 10
Roswell, New Mexico 88201
Attorneys for Applicant

R 34 E



L E G E N D

4/4 BOPD/BWPD — JUNE PRODUCTION



PROPOSED INJECTION WELL



PROPOSED INJECTION WELL
TO BE DRILLED



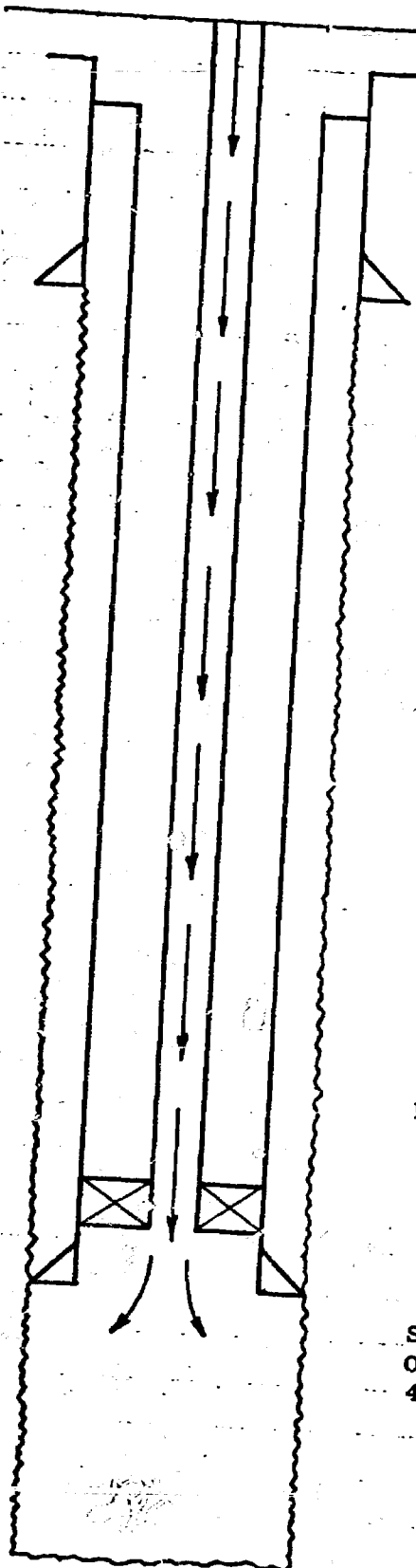
PROPOSED WATERFLOOD
BOUNDARY

EXHIBIT "B" EXHIBIT 3

Atlantic Richfield Company	
VACUUM FIELD	
Lee County, New Mexico	
STATE B & C WATERFLOOD	
PROPOSED	
INJECTION PATTERN	
SCALE 1" = 2000'	
R. H. WALSH	DATE
7-78	1-1-78
WEST AREA ENG.	IN CH.

Atlantic Richfield Company
Permian District
Engineering Section

Subject: Wellbore Diagram		Page 1 of Pages 6
Well Name: State "B" TG No. 3		
Operator: A.R.Co.		
Location: 1980' N&660' W, Sec 32, 17S, 34E.		Field: Vacuum-Grayburg San Andres
By: R. M. Malaise	Date: 9-19-75	



Elevation: 4083' GL, DF, RKB
TD: 4740' PBD:
Producing Zone(s): San Andres

Casing Program

2-3/8" OD tubing - internally 8-5/8" 5-1/2"
plastic coated

Injecting 400 bbls water
per day

Chemically treated water
in casing-tubing annulus

NA NA
NA NA
33# 15.5#
NA NA

1522' 1414-4550'
650 sx 600 sx
OH 4550-4740
4-3/4" (190')

LIST:

- a. OD, inches
- b. No. of jts.
- c. Length
- d. Grade
- e. Range
- f. Thread
- g. Setng. Depth
- h. Sx of cm, TOC
- i. Open hole
size & length
(if applicable)

Producing Interval(s)

San Andres
Open Hole Section
4550-4740'

NA

8000 gals acid

22 bbls in 2 hrs

NA

Flowing

LIST:

- a. Perfs, nbr &
size.
- b. Treatment(s)
- c. Potential
- d. Multiple
Completions ?
Describe in-
hole equip.
- e. Prod. Method

Spud Date:

Completion Date: 5-7-48

Atlantic Richfield Company
Permian District
Engineering Section

Subject: Wellbore Diagram
Well Name: State "B" TG No. 4
Operator: A.R.Co. Field: Vacuum-Grayburg
Location: 990' FNL & 1650' FWL, Sec 32, 17S, 34E. San Andres

Page 2
of
Pages 6

By R. M. Malaise

Date 9-19-75

Elevation: 4078' GL, DF, RKB

TD: 4708; PBD:

Producing Zone(s): San Andres

Casing Program

2-3/8" OD tubing -	8-5/8"	5-1/2"
internally plastic coated	38	141
	NA	NA
	NA	NA
Injecting 400 bbls. water	24#	15.5#
per day.	NA	NA
	1513	4462'
	600	300
	OH 4462-4708	
	4-3/4" (246')	
Chemically treated water		
in casing-tubing annulus		

LIST:

- OD, inches
- No. of jts.
- Length
- Grade
- Range
- Thread
- Setng. Depth
- Sx of cmt, TOC
- Open hole size & length (if applicable)

Producing Interval(s)

	NA
	8000 gals acid
San Andres	256 BOPD
Open Hole Section	
4462-4708'	
	Flowing

LIST:

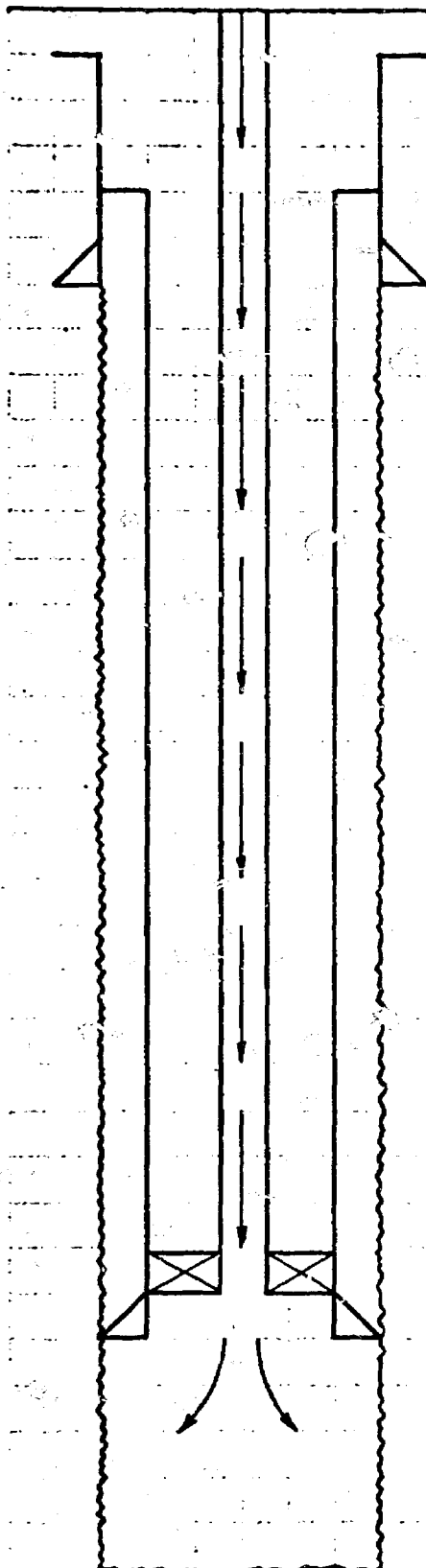
- Perfs, nbr & size.
- Treatment(s)
- Potential
- Multiple Completions? Describe in-hole equip.
- Prod. Method

Spud Date:

Completion Date: 9-30-51

Atlantic Richfield Company
Permian District
Engineering Section

Subject: Wellbore Diagram		Page 3
Well Name: State "C" TG No. 1		of
Operator: A.R.Co.	Field: Vacuum-Grayburg	Pages 6
Location: 660' FEL & 1980' FSL, Sec 32, 17S, 34E, San Andres		
By: R. M. Malaise	Date: 9-19-75	



Elevation: 4066' GL, DF, RKB
TD: 4713' PBD:
Producing Zone(s): San Andres

Casing Program

	7-5/8"	5-1/2"
2-3/8" OD tubing-Internally plastic coated	45	48
	NA	NA
	NA	NA
Injecting 400 bbls. water per day.	28#	15#
	NA	NA
	2924'	2811-4360'
	780	630
Chemically treated water in casing-tubing annulus	OH 4360-4713'	4-3/4" (353')

LIST:

- OD, inches
- No. of jts.
- Length
- Grade
- Range
- Thread
- Setng. Depth
- Sx of cm, TOC
- Open hole size & length (if applicable)

Producing Interval(s)

NA
8000 gals acid
99 BO in 16 hrs.

LIST:

- Perfs, nbr & size.
- Treatment(s)
- Potential
- Multiple Completions ? Describe in-hole equip.
- Prod. Method

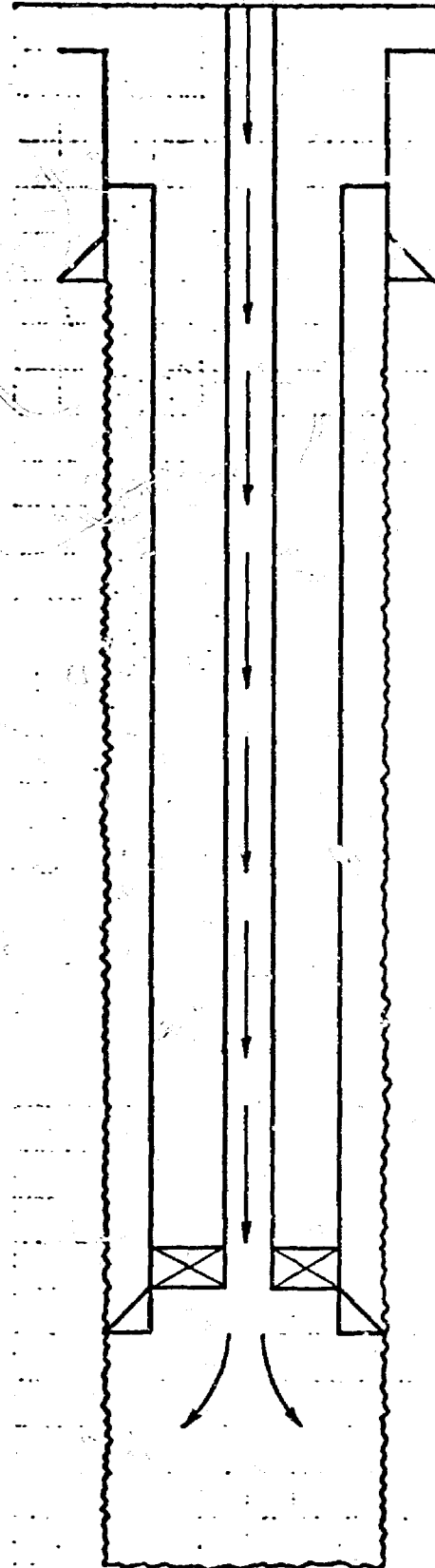
San Andres
Open Hole Section
4360-4713'

Flowing

Spud Date:
Completion Date: 2-14-48

Atlantic Richfield Company
Permian District
Engineering Section

Subject: Wellbore Diagram		Page 4
Well Name: State "C" TG No. 3		of
Operator: A.R.Co.	Field: Vacuum-Grayburg	Pages 6
Location: 1980' FS&WL, Sec 32, 17S, 34E, San Andres		
By R. M. Malaise	Date 9/19/75	



Elevation: 4084' GL, DF, RKB
TD: 4734' PED:
Producing Zone(s): San Andres

Casing Program

	8-5/8"	5-1/2"
2-3/8" tubing - internally plastic coated.	NA	NA
	28#	15#
Injecting 400 bbls. water per day.	NA	NA
	1537	1448-4564
	650	600
	OH 4564-4743'	
Chemically treated water in casing-tubing annulus.	4-3/4" (179')	

LIST:

- OD, inches
- No. of jts.
- Length
- Grade
- Range
- Thread
- Setng. Depth
- Sx of cmt, TOC
- Open hole size & length (if applicable)

Producing Interval(s)

	NA
	8000 gals acid
	216 BOPD
San Andres	
Open Hole Section	
4564-4743'	
	Flowing

LIST:

- Perfs, nbr & size.
- Treatment(s)
- Potential
- Multiple Completions? Describe in-hole equip.
- Prod. Method

Spud Date:

Completion Date: 5-27-48

Atlantic Richfield Company
Permian District
Engineering Section

Subject: Wellbore Diagram
Well Name: State "C" TG No. 5
Operator: A.R.Co.
Location:

Field: Vacuum Grayburg
San Andres

Page 5
of
Pages 6

By R. M. Malaise

Date 9/19/75

Elevation: 4076' GL, DF, RKB

TD: 4750' PBD:

Producing Zone(s): San Andres

Casing Program

	8-5/8"	5-1/2"
2-3/8" Tubing - internally plastic coated.	51	113
	NA	NA
	NA	NA
	32#	15#
Injecting 400 bbls water/day	NA	NA
	1599'	4532'
	650	600
Chemically treated water in casing - tubing annulus.	OH 4532-4750'	
	8" 4532-4555'	
	4-3/4" 4555-4750'	

LIST:

- OD, inches
- No. of jts.
- Length
- Grade
- Range
- Thread
- Setng. Depth
- Sx of cmt, TOC
- Open hole size & length (if applicable)

Producing Interval(s)

	NA
	6000 gals acid
	240 BOPD
San Andres	
Open Hole Section	
4532-4750'	Flowing

LIST:

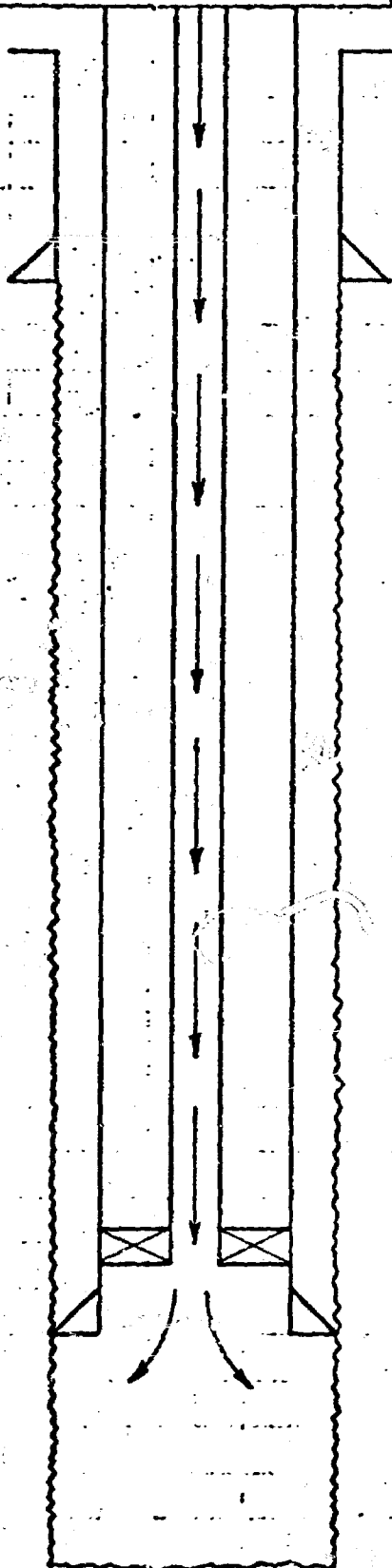
- Perfs, nbr & size.
- Treatment(s)
- Potential
- Multiple Completions? Describe in-hole equip.
- Prod. Method

Spud Date:

Completion Date: 8-5-50

Atlantic Richfield Company
Permian District
Engineering Section

Subject: Wellbore Diagram		Page 6
Well Name: State "C" TG No. 8		of
Operator: A.R.Co.	Field: Vacuum-Grayburg	Pages 6
Location: 990' FSL & FWL		San Andres
By: R. M. Malaise	Date: 9-19-75	



Elevation: 4079' GL, DF, RKB

TD: 4761' PBD:

Producing Zone(s): San Andres

Casing Program

2-3/8" tubing - internally plastic coated	8-5/8"	5-1/2"
	52	147
	NA	NA
	NA	NA
Injecting 400 bbls. water per day.	24# & 32#	15.5#
	NA	NA
	1574'	4535'
	600	350
Chemically treated water in casing tubing annulus.	OH 4535-4761'	4-3/4" (226')

LIST:

- OD, inches
- No. of jts.
- Length
- Grade
- Range
- Thread
- Setng. Depth
- Sx of cnt, TOC
- Open hole size & length (if applicable)

Producing Interval(s)

NA
6000 gals acid
216 BOPD
San Andres
Open Hole Section
4535-4761'
Flowing

LIST:

- Perfs, nbr & size.
- Treatment(s)
- Potential
- Multiple Completions? Describe in-hole equip.
- Prod. Method

Spud Date:

Completion Date: 12-15-51

Hinkley

Atlantic

waterflood proj

State B & C Les

NW & S/2 32-17-34

Vacuum Lea

San Andres

7 wells

Locs

proj allow addn prod
whereby loc inj wells ^{could be} changed
and addl wells put on
inj & prod

convert 6 existing wells in
units C E 1 K M & O of 32 and
drill 1 new well 250' FSL & 2250' FNL

Clarence Hinkle

Appl of Atlantic Richfield
Company for a waterflood
Project, Lea County, New Mexico

Applicant, in the above-styled cause,
seeks authority to institute a waterflood
project in the Permian Grayburg-San Andres
~~formation~~ Pool by injection of water
through seven wells on its State "B"
and State "C" Leases, ^{and the} said wells being
converted producers located in Units
C, E, I, K, M, and O of Section 32, Township
17 South, Range 34 East, Lea County, New
Mexico and the seventh being a new
well drilled at an unorthodox location
250 feet from the South line and 250
feet from the West line of said Section
32. Applicant further seeks an administra-
tive procedure whereby the project area
could be expanded and additional
wells at standard and non-standard
locations put on injection and production
PWT

DRAFT

dr/

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. 5565

Order No. R- 5116

APPLICATION OF ATLANTIC RICHFIELD
COMPANY FOR A WATERFLOOD PROJECT,
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on November 5, 1975,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this day of November, 1975, the Commission,
a quorum being present, having considered the record and the recom-
mendations of the Examiner, and being fully advised in the premises,

FINDS:

That the applicant's request for dismissal should be
granted.

IT IS THEREFORE ORDERED:

That Case No. 5565 is hereby dismissed.

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