CASE 3083: Application of GENERAL AMERICAN OIL CO. OF TEXAS for a waterflood projet, Eddy County.

Memo

JAMES M. DURRETT JR.

GENERAL CEGNSEL

To Case 3083 7-20-64

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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. 3083 Order No. R-2749

APPLICATION OF GENERAL AMERICAN OIL COMPANY OF TEXAS FOR A WATERFLOOD PROJECT, EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause cars on for hearing at 9 o'clock a.m. on July 22, 1964, at Santa Fe, New Mexico, before Examiner Daniel 8. Nutter.

NOW, on this 29th day of July, 1964, 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, General American Oil Company of Texas, seeks permission to institute a waterflood project in the Grayburg Jackson Pool by the injection of water into the Premier Sand through twelve injection wells on acreage which it has acquired or will acquire in Sections 27, 28, 33, and 34, Township 17 South, Range 30 East, NMPM, Eddy County, New Mexico.
- (3) That the wells in the project area are in an advanced state of depletion and should properly be classified as "stripper" wells.
- (4) That the proposed waterflood project should result in the recovery of otherwise unrecoverable oil, thereby preventing waste.

-2-CASE No. 3083 Order No. R-2749

(5) That the subject application should be approved and the project should be governed by the provisions of Tules 701, 702, and 703 of the Commission Rules and Regulations.

IT IS THEREFORE ORDERED:

(1) That the applicant, General American Oil Company of Texas, is hereby authorized to institute a waterflood project in two stages in the Grayburg Jackson Pool by the injection of water into the Premier Sand through the following-described wells in Township 17 South, Range 30 East, NMPM, Eddy County, New Mexico:

Stage I

- Arnold "D" No. 1, 1980 feet from the North line and 1980 feet from the West line of Section 27;
- Arnold "D" No. 6, 2310 feet from the North line and 330 feet from the West line of Section 27;
- Maddren "B" No. 9, 2310 feet from the South line and 1650 feet from the East line of Section 27;
- Maddren "A" No. 2, 2615 feet from the North line and 1295 feet from the East line of Section 23;
- Maddren "E" No. 1, 990 feet from the South line and 1650 feet from the East line of Section 28;
 - Beeson "B" No. 1, 330 feet from the Worth line and 990 feet from the Bast line of Section 33;
 - Arnold "D" No. 8, 330 feet from the North line and 2140 feet from the East line of Section 34;
 - Arnold "D" No. 9, 330 feet from the North line and 640 feet from the East line of Section 34;

-3-CASE No. 3083 Order No. R-2749

Federal "G" No. 1, 330 feet from the North line and 330 feet from the West line of Section 34;

Federal "G" No. 2, 330 feet from the North line and 1650 feet from the West line of Section 34;

Stage II

- Arnold "D" No. 7, 25 feet from the North line and 1100 feet from the West line of Section 27;
- Beeson "A" No. 2, 330 feet from the North line and 330 feet from the East line of Section 28.
- (2) tat the subject waterflood project shall be governed by the provirions 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 1119 of the Commission Rules and Regulations.
- (4) at 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. CAMPBRLL, Chairman

B. S. WALKER, Member

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

agri

GOVERNOR EDWIN L. MECHEM CHAIRMAN

State of New Mexico Oil Conservation Commission

LAND COMMISSIONER E. S. JOHNNY WALKER MEMBER



STATE GEOLOGIST

A. L. PORTER, JR.
SECRETARY - DIRECTOR

P. O. BOX 2088 SANTA FE 87501

Mr. John F.Russell Attorney at Law Post Office Drawer 640 Roswell, New Mexico

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Gentlemen:

Enclosed herewith is Commission Order No. R-2749, entered in Case No. 3083, approving the Munical American Brayourg-Sackson Water Flood Project.

According to our calculations, when all of the authorized injection wells have been placed on active injection, the maximum allowable which this project will be eligible to receive under the provisions of Rule 701-E-3 is 166 barrels per day.

Please report any error in this calculated maximum allowable immediately, both to the Santa Fe office of the Commission and the appropriate District proration office.

In order that the sliowable assigned to the project may be kept current, and in order that the operator may fully benefit from the allowable provisions of Rule 701, it behooves him to promptly notify both of the aforementioned Commission offices by letter of any change in the status of wells in the project area, i.e., when active injection commences, when additional injection or producing wells are dilled, when additional wells are acquired through purchase or unitization, when wells have received a response to water injection, etc.

Your cooperation in keeping the Commission so informed as to the status of the project and the wells therein will be appreciated.

Very truly yours,

cc: OCC - Artesia Frank Irby

A. L. PORTER, Jr. Secretary-Director

OIL CONSERVATION COMMISSION P. O. BOX 871 SANTA FE, NEW MEXICO

July 29, 1964

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Doar Sir:

Enclosed herewith is Commission Order No. R-2749, entered in Case-No. 3083, approving the General American Grayburg-Jackson Waterflood Project.

Injection in each of the authorized injection wells is to be through tubing and under packers; packers shall be set not more than 100 feet above the casing shoe.

As to allowable, our calculations indicate that when all of the authorized injection wells have been placed on active injection, the maximum allowable which this project will be eligible to receive whder the provisions of Rule 701-2-3 is 966 barrels per day. ion operatangue.

Please report any error in this calculated maximum allowable immediately, both to the Santa Fe office of the Commission and the appropriate district proration office.

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OIL CONSERVATION COMMISSION P. O. BOX 871 SANTA FE, NEW MEXICO

-2-Mr. John Russell Post Office Drawer 640 Roswell, New Mexico July 29, 1964

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Your cooperation in keeping the Commission so informed as to the status of the project and the wells therein will be appreciated.

Very truly yours,

A. L. PORTER, Jr. Secretary-Director

ALP/DEE/ir

Oct. Oil Conservation Commission Artesia, New Mexico

> Mr. Frank Irby State Engineer Office Santa Pe, New Mexico

EXAMINER HEARING

IN THE MATTER OF: Application of General American Oil Company of Texas for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the Premier Sand through twelve wells located in Sections 27, 28, 33 and 34, Township 17 South, Range 30 East, Eddy County, New Mexico. Certain of the aforesaid injection wells would be drilled at unorthodox locations.

Care No. 3083

BEFORE: DANIEL S. NUTTER, Examiner.

TRANSCRIPT OF HEARING

NUBUGUEROUE, N. M.

DEARNLEY-MEIER

REPORTING SERVICE, Inc.

EASTA FE, N. M. FHORE 963-3971



MR. NUTTER: We will call Case No. 3003

MR. RUSSELL: Wichn F. Auszell, Roswell; New Mexico

(Witness sworn.)

(Whereupon, Applicant's Exhibits 1 through 4 were marked for identification.)

ROY L. CROW

called as a witness, having been first duly sworn on oath, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. RUSSELL:

Q Will you please state your name, address, by whom you are employed and in what capacity?

A My name is Roy Lee Crow. I am employed by Ganeral
American Oil Company of Texas, Post Office Box 416, Loco Hills,
New Mexico. I am employed in the capacity of petroleum engineer.

Q Have you previously qualified to testify before this Commission?

A No, sir.

Q Will you give a brief resume of your educational back-



A I graduated from Southern Methodist University in 1961 with a Bachelor of Science degree in geology. I have been employed by General American Oil Company for the past nine years. The first five years of my employment were as an engineer trainee and mostly secondary recovery projects in Dallas. For the past three years I have been employed as a petroleum engineer in Texas.

Oklahoms, and currently in New Mexico, mostly in secondary as covery work.

MR. RUSSELL: Are the witness's qualifications acceptable?

MR. NUTTER: Yes, sir.

- Q Mr. Crow, are you familiar with the application filed in Case No. 3083?
 - A Yes, sir.
- Q Will you please explain what you seek to accomplish by this application?
- A We seek to gain approval for a Premier Sand flood in Eddy County, New Mexico in Sections 27, 28, 33, 34 and 35. We seek to put in a two-stage peripheral flood which we feel would be the best pattern to recover the most oil.
 - Q Referring you to Exhibit No. 1, what does that show?
 - A Exhibit 1 is a plat showing a radius of two miles from



all injection wells showing the wells and their current producing formation, or the formations in which the wells last produced. It also encloses two areas, the lighter line is the area General American proposes to include in its Premier Sand flood and the broken line area encloses the currently existing Ambassador Grayburg Jackson Premier Sand Unit, or 23, 23.

Q Trefer you to Exhibit No. 2 and ask you what that shows.

again outlined the two areas mentioned in Exhibit 1, the hashed lines enclosing Ambassador's currently existing flood and the broken line enclosing General American's proposed flood. The exhibit shows how General American intends to join Ambassador's existing five spot currently. They are only a pilot stage but which is shown by the dashed lines and they are ready to expand to their full pattern on the five spot basis as shown. General American shows how they intend to cooperate along common boundaries with our peripheral type flood.

It also shows that due to the unorthodox location or the close spacing of the wells developed on General American's property, that a pattern flood would not be feasible to possibly recover as much productive oil as might be remaining in the reservoir.

Therefore, a peripheral flood which encloses as close as possible



It also shows the two stages in which General American will attempt to conduct this flood. Stage 1, as denoted by the triangles, shows that wells which are currently existing to be converted to injection are solid circle wells enclosed by the triangle or wells which might be deepened are solid circles enclosed by a triangle with the letter D beneath, and four wells that will be drilled as injection wells symbolized by open circles were enclosed within the triangle.

- Q What sections are included within your proposed flood?
- A Sections 27, 28, 33, 34 and 35 of Township 17 South,
 Range 30 East, Eddy County, New Mexico.
- Q I refer your attention specifically to the Northwest Quarter of the Northwest Quarter of Section 35, am I correct that it is not anticipated that any injection well will be located on that tract?
 - A No injection well will be located on this tract.
 - Q But there is a producing well at this time?
 - A Yes, sir,
- Q Mr. Crow, your application did not include specifically Section 35. Do you request at this time that your application be amended to include the Northwest Quarter of the Northwest Quarter



A I do wish the application to be amended.

MR. NUTTER: The application is amended to include Section 35.

In connection with Exhibit 2 you have shown by various symbols the two stages. You are asking actually that all of the injection wells for Stage 1 and Stage 2 be approved at this time, is that correct?

- A This is correct.
- Q Do you know when you might go to Stage 2 of this flood?
- A The development of Stage 2 would be wholly dependent upon the operation of Stage 1. If it is economically successful, then Stage 2 would be entered as soon as possible. Due to the sparse development of Stage 2 area in the primary development it is somewhat questionable as to the economic feasibility of this stage. Therefore, it will not be entered upon until the results of Stage 1 are noted.

Q Is it anticipated that if the flood is approved it will be expanded to include Stage 2 in accordance with the Rule 701, that is by administrative order after response has been received?

- A Yes.
- Q In the producing wells in Stage 2?



ALBUQUEROUE, N. P. PHONE 243.6691

From what formation or formations are these wells within your flood area producing at this time?

Currently, all but two wells are of the Premier Sand section of the Grayburg Jackson formation. Cne well, No. 9, noted in Section 27, to be converted to an injection well would be deepened to the Premier Sand as illustrated in Exhibit 3.

MR. NUTTER: That's the No. 9 well, right?

Yes, sir, and in Stage 2 the No. 3 well with the DD above it would be deepened from the Seven Rivers formation to the Premier Sand, if Stage 2 is developed.

Is there a possibility that you may deepen that well you just referred to prior to the expansion into Stage 2?

There is a possibility, since this well is offset by two injection wells of Ambassador's flood, that this well possibly might be deepened to check results prior to drilling the No. 7 well or the drilling of the No. 5 producer in Section 27, Stage 2.

Is General American Oil Company of Texas the owner of the operating rights of all of the leases within this area at

General American is the owner of the operating rights this time? in all the leases except the North Half of the Northwest Quarter of Section 34, shown to be Ambassador, and the Northeast Quarter



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of the Northeast Quarter of Section 28, shown to be Sinclair, and the Northeast Quarter of the Southeast Quarter of 28, shown to be Sinclair. At the present time exchange of operating rights with both Sinclair and Ambassador have been verbally agreed and the present status is that we're only waiting for the attorneys to draft the legal documents. At this time General American will own all the operating rights within the proposed flood.

- Q Do you have lease line agreement with Ambassador as to their adjoining flood?
- A We have also verbal agreement with Ambassador on cooperating along the common boundary and probably at approximately the same time as the operating rights exchange is legally signed, also a line agreement will be entered.
 - Q But you do have a verbal agreement at this time?
 - A We have a verbal agreement at this time.
- Q Have you received notice from the United States Geological Survey of their approval of this proposed flood?
 - A Yes, we have.
- Q Will you furnish the Commission with a copy of a letter indicating their approval?
 - A Yes.
- Q What is the present status, production status of the wells within the proposed flood area?



The current status is all wells average about three and a half barrels a day, would be a per day per well average for the wells within the flood area.

Referring you to Exhibit No. 3, will you explain what Q that exhibit reflects?

Exhibit No. 3 is a group of diagrammatic sketches on all injection wells that will be converted from producing walls or will be deepened for the purpose of injection or wells that are proposed to be drilled for injection. It shows the casing strings, the approximate tops of the cement where the strings are set, the size of the casing and the number of sacks run. It shows the pay zone, the total depth or plug back total depth, and it also shows where we plan to approximately set the two-inch tubing with a tension-type packer.

In what intervals do you propose to inject water for your flood?

At the current time we propose the intervals of approximately 3110 to 3305. Possibly these intervals might need to be revised slightly after the drilling of the proposed four other injection wells.

The information on these wells is rather sketchy, is it not?

Yes, it is.



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And these intervals may have to be revised slightly if going into the wells to complete as injection wells it reflects information other than is available at this time?

Yes.

This Exhibit No. 3 reflects the proposed completion data as to the existing wells and also the additional wells which you contemplate drilling for injection wells?

Yes. The first one, Arnold D-1, is a current producing well. It would show the current status of the casing, and as in the second Madren B-9 it would be noted that this would be the proposed. Your exhibit may not be in that order. Madren B-9. In other words, this well is a Seven Rivers, it would be deepened to the Premier Sand, and this would be the approximate location of the pay zone. The total depth and the approximate place that the casing would be set.

MR. NUTTER: This well has seven-inch casing in it now, is that correct?

Yes, sir.

IOR. NUTTER: Then you would run this five and a half after deepening it?

All the way to the surface. Arnold D-9 would be an example of the other type well shown as the well that is to be drilled, and these are, of course, the approximate amounts and



MR. NUTTER: Going back to your Madren B-9-- -

A Yes, sir.

MR. NUTTER: -- would that 75 sacks that you are proposing to use be sufficient to come back into the seven-inch pipe?

A No, sir, it probably would not. That may actually be an erroneous figure there. Sufficient cement would be run to guarantee any commingling of possible fluids from any zones.

MR. NUTTER: This well would be equipped with a tubing and packer just like the others?

A Yes.

Q (By Mr. Russell) I refer you to Exhibit 4 and ask you to explain what that portrays.

rent wells that are to be converted to water injection, showing their location, the elevation, total depth, plug back total depth, also again the surface casing where it's set, the number of sacks, the production string, the number of sacks and depth set, the pay zone and any shot record that may be available or any acidizing record, if any, or any fracturing record if any. This information is submitted in the absence of any available logs.

Q What is your proposed source of supply for the water that you propose to inject in this flood?



ALBUQUEROUE, N. P.

A Water will be purchased from the Caprock Water Company from their Red Lake Basin area in Eddy County, New Mexico.

Q What is your anticipated rate of injection minimum and maximum approximately?

A The minimum injection rate probably would not fall below 200 barrels a day, or the maximum injection rate would not exceed 800 barrels per day.

- Q Is that per well?
- A Per well.
- Q Do you anticipate that this water will be injected under pressure or not?

A Yes, before the flood life is out it would be injected under pressure, probably 2,000 pounds would be the maximum expected pressure. This being based on the currently existing pilot flood of Ambassador, who is currently encountering about 1500 pounds.

Q Do you request that your application as amended be approved for the two-stage flood and that the Commission retain jurisdiction for the purpose of giving administrative approval under Rule 701 to the expansion into Stage No. 2?

A Yes.

Q Have you received a copy of a letter from Mr. Irby to the Commission indicating his approval of this proposed project?



Yes, I have.

Did you also furnish to the State Engineer an anlysis of the water which will be injected into these formations?

Yes.

Do you request that the Commission establish allowables Q for this flood in accordance with Rule 701?

Yes.

Were Exhibits 1 through 4 inclusive prepared by you or under your direction?

· • A Yes, they were.

MR. RUSSELL: I offer Exhibits 1 through 4 into evidence.

MR. NUTTER: Applicant's Exhibits 1 through 4 will be admitted into evidence.

> (Whereupon, Applicant's Exhibits 1 through 4 were offered and admitted in evidence.)

MR. RUSSELL: I have no further questions of this witness.

MR. NUTTER: Does anyone have any questions of Mr. Crow?

MR. DURRETT: I have a question.

MR. NUTTER: Mr. Durrett.

CROSS EXAMINATION

BY MR. DURRETT:



Q Am I correct, now, Mr. Crow, that your Exhibit No. 4 concerns injection wells in Stage 1 or does it also cover the ones in Stage 2?

A It would cover the one existing well, the Beeson "A"

No. 2, the second well on the second page. This well would be in

Stage 2, but it is a currently existing well, Sinclair. The other

wells are in Stage 1.

- Q Does this exhibit include all of the wells in Stage 1?
- A Except the wells to be drilled, of course. There are four wells to be drilled.
 - Q Four injection wells to be drilled?
 - A Yes, sir.
- Q Here's the line of thought that I'm proceeding under, the Commission might decide that since you do want to proceed with Stage 2 under Rule 701, that it is not necessary or would not be necessary at this time to specifically authorize these wells for injection purposes. In other words, the Commission might determine that all it needed to authorize at this time would be your Stage 1 wells. Then you could apply for administrative procedure to put your additional wells in Stage 2 on as they receive a response. If so, we will need to know specifically which wells are Well No. 1 so we will have a location on them, and the other necessary information to write the order. So, in some manner can



you point out to me which ones are Stage 1 so we can pick their location off?

A Well, referring back the

MR. NUTTER: Exhibit 3 gives the location of all twelve wells.

It gives the exact location on a footage basis, and Exhibit 2 gives the location of the stages by symbols.

Q (By Mr. Durrett) Then just by correlating the two exhibits we can have this?

A Exhibit 2 mainly will give you the wells in the different stages, and Exhibit 3 will give you the footage of all wells.

We would like for the Commission to approve both stages at this time if possib.

MR. NUTTER: Let's see, let's straighten this up on Exhibit 3 right now.

A All right.

MR. NUTTER: The first page is Beeson "A" 2, that's a Stage 2 well, isn't it?

A I am sorry, your Exhibits No. 3 were not in order. In other words, there are only two injection wells to be included in Stage 2 and they are the Arnold D-7, which is the well to be drilled, that is a Stage 2 well. The first one on your list, Beeson "A" 2, I believe it's the first one.



MR. NUTTER: All the others are Stage 1?

- A All the others are Stage 1.
- Q (By Mr. Durrett) Am I correct, Mr. Crow, that you do not desire to place your Stage 2 wells on injection until they have received a response and would for within the provisions of Rule 701 concerning expansion?

A Yes, sir.

MR. DURRETT: Thank you.

BY MR. NUTTER

Q What has been the cumulative production to date from the wells in this waterflood project area?

A From the General American wells, approximately 970,000 barrels. At this time I cannot give you the exact cumulives on the four other wells which we intend to take in, but I would imagine the four wells combined would be somewhere in the neighborhood of 200,000, so it would be approximately a million three hundred thousand.

Q Have you made any studies or estimates of your secondary recovery?

A from the other floods we have run on similar depths now we are assuming the one to one recovery.

- Q Has Ambassador received a response in its pilot area?
- A Yes, they have, and are awaiting on our approval to expand to their full-stage flood.



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Right now they've only got the six pilot wells on in-Q jection, is that right?

Yes.

Then they propose to put all the remaining wells that are shown in your pattern here on Exhibit 2 on injection?

As far as I know, when their expansion is done this time they would include all these wells.

Are all of these lands in your area federal lands, Mr. Crow?

Yes.

Q United States Geological Survey I presume has consented to this?

Yes, sir, I will furnish you a copy of their approval.

(Whereupon, Applicant's Exhibit No. 5 was marked for identification.)

MR. NUTTER: Exhibit 5 will also be admitted in evidence.

> (Whereupon, Applicant's Exhibit No. 5 was admitted in evidence.)

MR. NUTTER: Does anyone have any further questions?

MR. RUSSELL: I would like to ask one further question.

REDIRECT EXAMINATION

BY MR. RUSSELL:



Q Mr. Crow, in your opinion will this purple type flood result in recovery of oil that might not otherwise be recovered and therefore prevent economic waste?

A Yes, sir.

MR. NUTTER: If there are no further questions of the witness, he may be excused.

(Witness excused.)

MR. NUTTER: Do you have anything further, Mr. Russell?

MR. RUSSELL: No, I do not.

MR. NUTTER: Does anyone have anything further to offer in Case 3083?

MR. DURRETT: I would like to state for the record that we have received a letter from Mr. Frank Irby of the State Engineer's Office stating that they have no objection to the application.

MR. NUTTER: Thank you, Mr. Durrett. We'll take this case under advisement and take a fifteen-minute recess.

(Whereupon, a recess was taken.)



UGUEROUE, N. M. ONE 243-6691

STATE OF NEW MEXICO COUNTY OF BERNALILLO)

I, ADA DEARNLEY, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me; and that the same is a true and correct record of the said proceedings, to the best of my knowledge, skill and wility.

Witness my Hand and Seal this 27th day of July, 1964.

My Commission Expires:

June 19, 1967.

I do hereby certify that the foregoing is a complete recent of the proceedings in

Examiner Mexico 011 Conservation Commission



DRAFT

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

THE PART OF THE	
IN THE MATTER OF THE HEARING	
CALLED BY THE OIL CONSERVATION	
COMMISSION OF NEW MEXICO FOR	
THE PURPOSE OF CONSIDERING:	
	CASE No. 3083
	0-1/2
	Order No. R-2749
	Order No
APPLICATION OF GENERAL AMERICAN O	IL COMPANY OF TEXAS
FOR A WATERFLOOD PROJECT, EDDY	COUNTY,
FOR A WATERFLOOD I ROOZET	
NEW MEXICO.	
OF TH	E COMMISSION
ORDER 02 11	
BY THE COMMISSION:	
•	ming at 9 o'clock a.m. on
This cause came on for hea	New Movico before Examiner
This cause came on for hea July 22 , 1964, at Santa Fe	, New Mexico,
Daniel S. Nutter	
	July 1964, the Commission, considered the testimony, the record,
NOW on this day of	July 1967 the record,
hoing present, having	onsidered the testimony, the record, examiner, and being fully advised
a quorum being probable of the I	considered the testimon, as a considered the testimon, and seek saminer, and being fully advised
and the recommendations	
in the premises,	
FINDS:	
notic notic	ce having been given as required by
(1) That due public noti	ce having been given to the subject ction of this cause and the subject
law, the Commission has jurisdi	
matter thereof.	General American Oil Company
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(2) That the applicant,	UI 10.100
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seeks permission	
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formation	a through twelve injection wells in
Premier Sand formation	
acreage which it has and 34	in 17 NEXXX, Range_
Sections 27, 28, 33,/, Townsh	ipSouth
	Dade County New Mexico
30 MEEK, N	MPM, Eddy County, New Mexico
East	·

- (3) That the wells in the project area are in an advanced state of depletion and should properly be classified as "stripper" wells.
- That the proposed waterflood project should result in the recovery of otherwise unrecoverable oil, thereby preventing waste.

(5) That the subject application should be approved and the project should be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

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Braylung Premier Sand		in=the==== Pool by the in through the	jection (of water	into the
in Township	17	Merkk, Ran South	ge	30	
NMPM, Eddy	County, i	New Mexico:	i San Sirin		

Arnold "D" No. 1, 1980 feet from the North line and 1980 feet from the west line of Section 27;

Arnold "D" No. 6, 350 2310 feet from the North line and 350 feet from the west line of Section 27;

Maddren "B" No. 9, 2310 feet from the South line and 1450 feet from the East line of Section 27;

Maddren "A" No. 2, 2615 feet from the North line and 1295 feet from the East line of Section 28;

Maddren "E" No. 1, 990 feet from the South line and 1650 feet from the East line of Section 28;

- (2) That 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 KRZW of the Commission Rules and Regulations.
- (4) 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. Besson "B" No 1, 330 feet from the North line and 990

feet from the East line of Section 33;

Arnold "D" No. 8, 330 feet from the North line and 2140 feet

from the East line of Section 34;

Arnold "D" No. 9, 330 feet from the North line and 640 feet

from the East line of Section 34;

Federal "G" No 1, 330 feet from the North line and 330 feet

from the West line of Section 34;

Federal "G" No 2, 330 feet from the North line and 1650 feet

from the West line of Section 34;

Stage II

Arnold "D" well-No 7, 25 feat from the North line and 1100 feat

Even the west line of Section 27;

Borson "A" No. 2, 330 frest from the North line and 330 feet

From the borst line of Section 28;

LAW OFFICES OF

WAIN OFFICE OCC SUITE 1010

JOHN F. RUSSELL
SUITE IOIO SECURITY NATIONAL BANK BUILDING
P. O. DRAWER 640
ROSWELL, NEW MEXICO 88201

TELEPHONE 622-4641 AREA CODE 505

1984 JUN 30 PH 2 52

June 30, 1964

Oil Conservation Commission Box 2088 Santa Fe, New Mexico 87501

Gentlemen:

I transmit herewith in triplicate the application of General American Oil Company of Texas for an order authorizing a two-stage waterflood project.

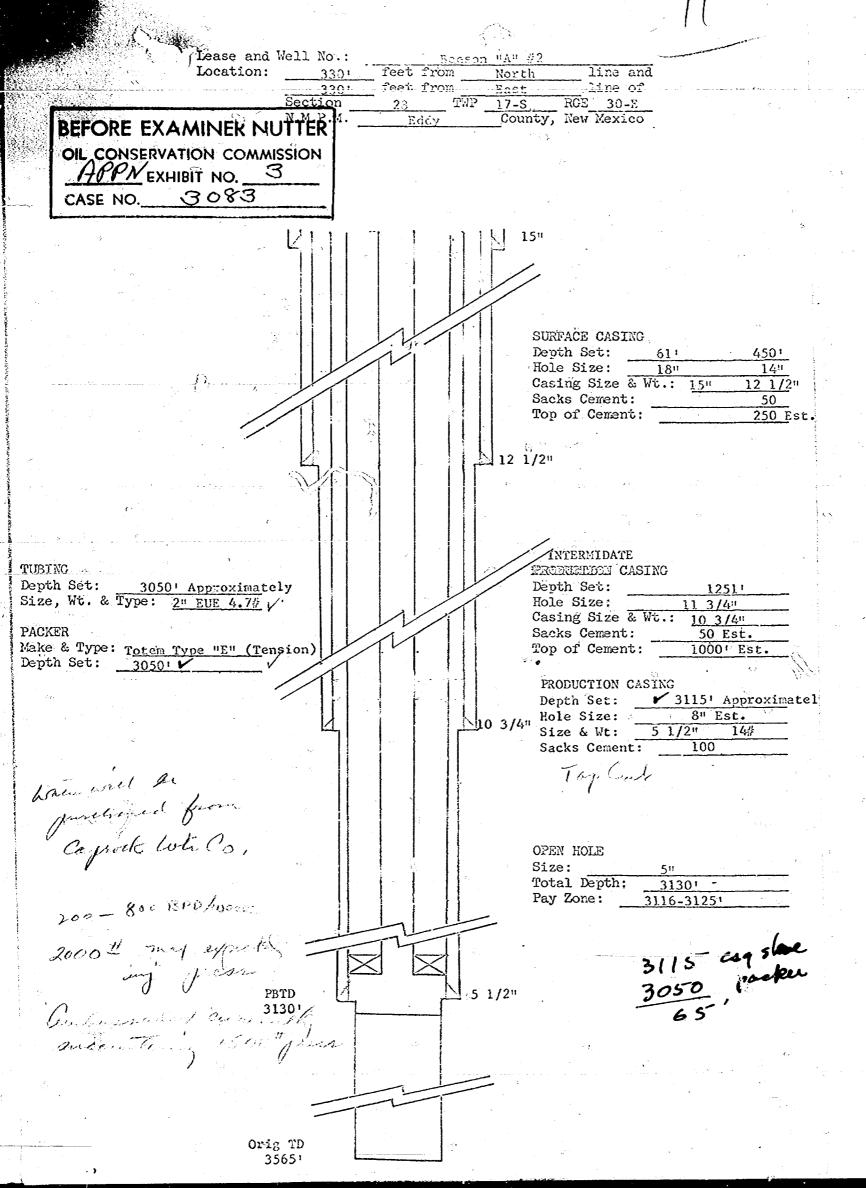
Very truly yours,

John F. Russell

JFR:np

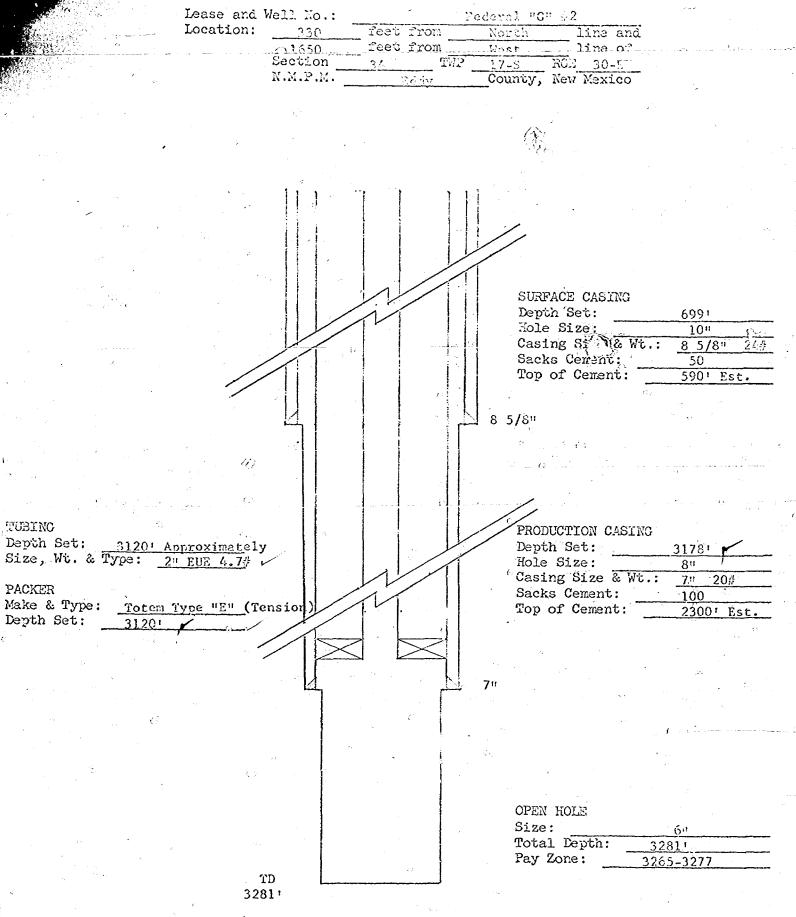
Enclosures

GENERAL AMERICAN OIL COMPANY OF TEXAS SCHEMATIC DIAGRAM OF PROPOSED INJECTION WELL



GENERAL AMERICAN OIL COMPANY OF TEXAS SCHEMATIC DIAGRAM OF PROPOSED INJECTION WELL

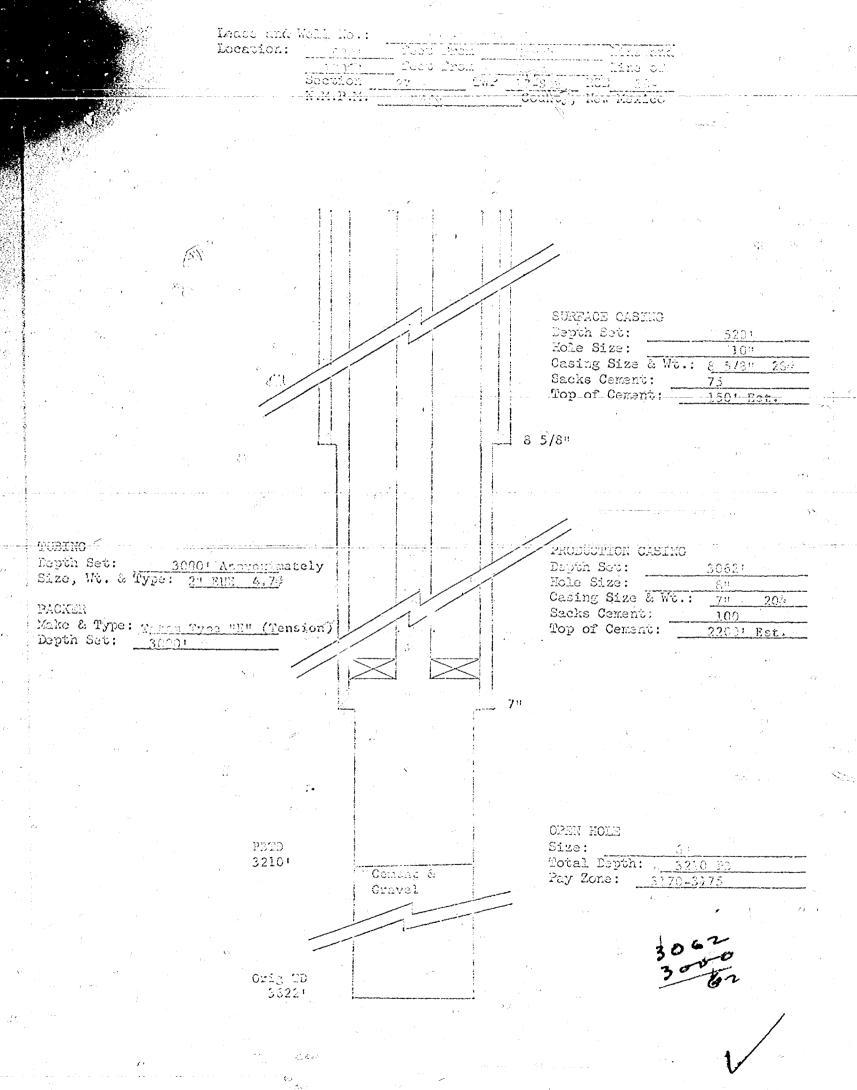
Lease and Well No .:



OBNERAL ANTHROAM ONE COMPANY OF TEXAS SCHEMATTO DEACRAM OF PROPOSED INJECTION WELL

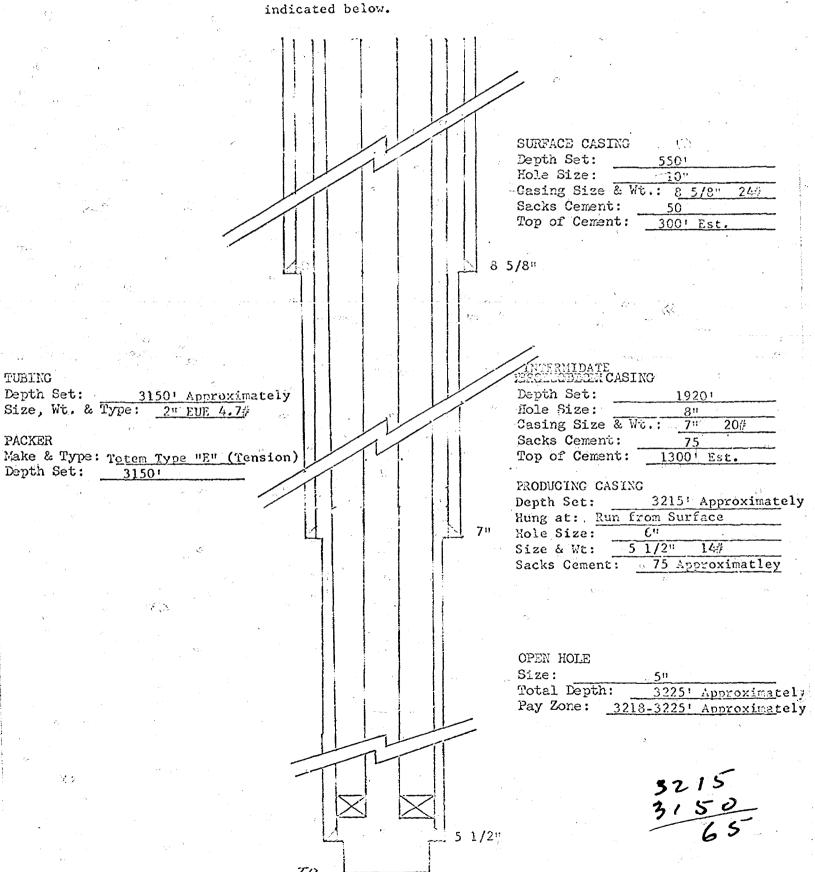
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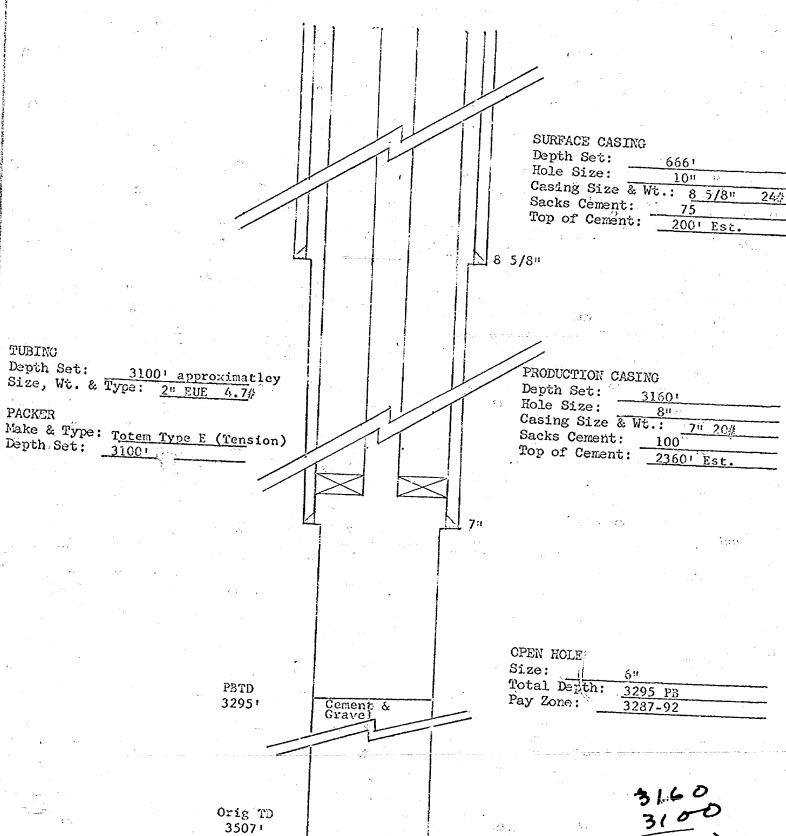


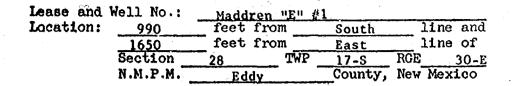
Lease and	Well No.:	Mad	oren JiBii	<i>1.</i> ∰9″			
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-	1650	feet	from	Easi		line	of
	Section -	27	TH	17-5	TOE	20	-F.
* -	N.M.P.M.	E	ĉćy	County,	New	Mexi	ico

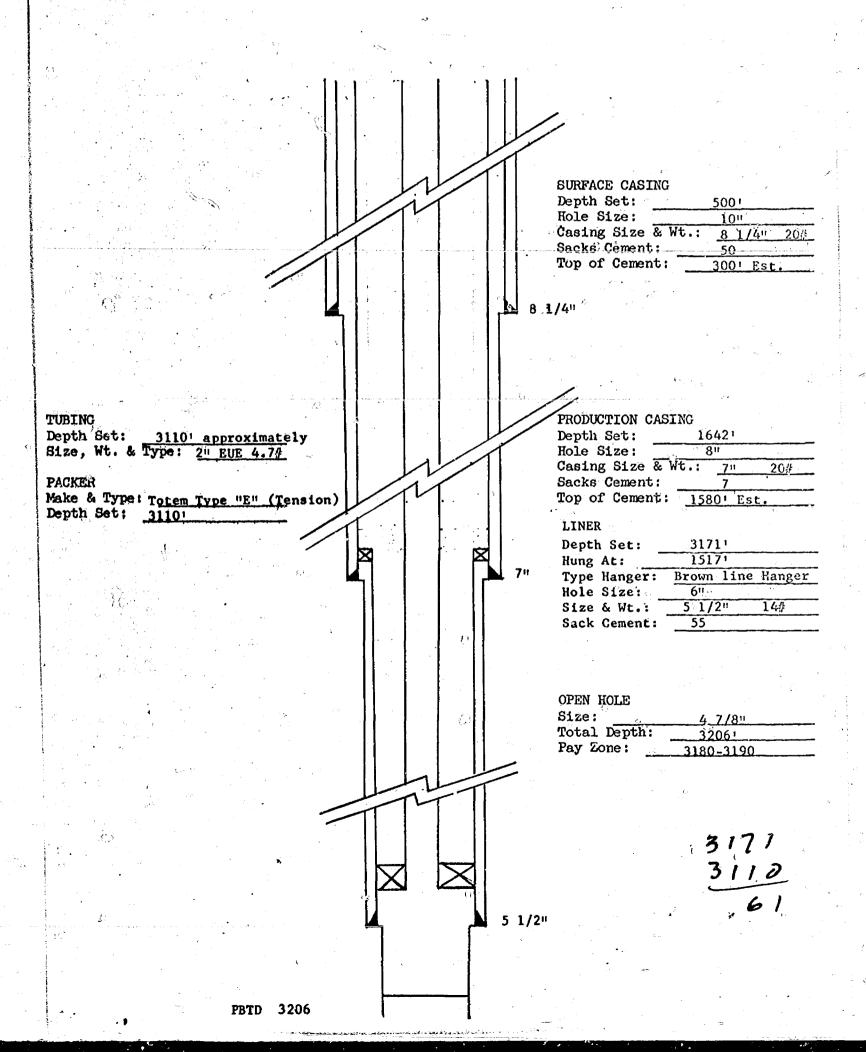
Well is to deepened to approximately depths indicated below.



Lease and Well No .: Teet from feet from Location: ___3301 line and North 2001 Section East line of 33 RGE 30-E __17-S N.M.P.M. Eddy County, New Mexico

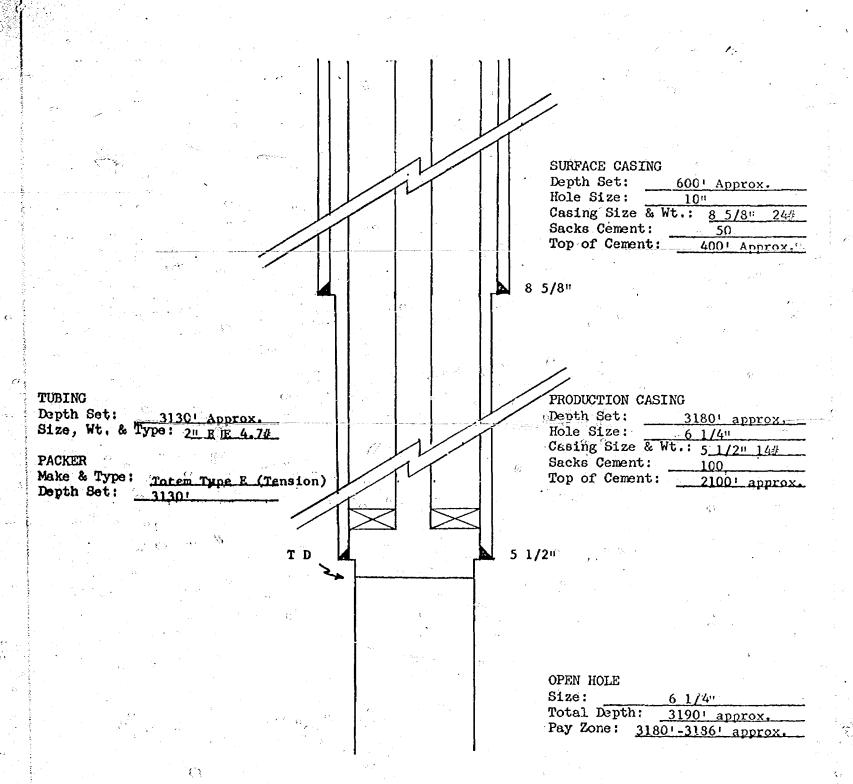






,s	N.M.P.M.	Eddy	County,	New Mexico
	Section	28	IWP 17-S	RGE 30-E
•	1295	_ feet from	East	line of
Location:	2615	_ feet from		line and
Lease and	Well No.:	Maddret	2 "A" #2	·

This well is to be drilled

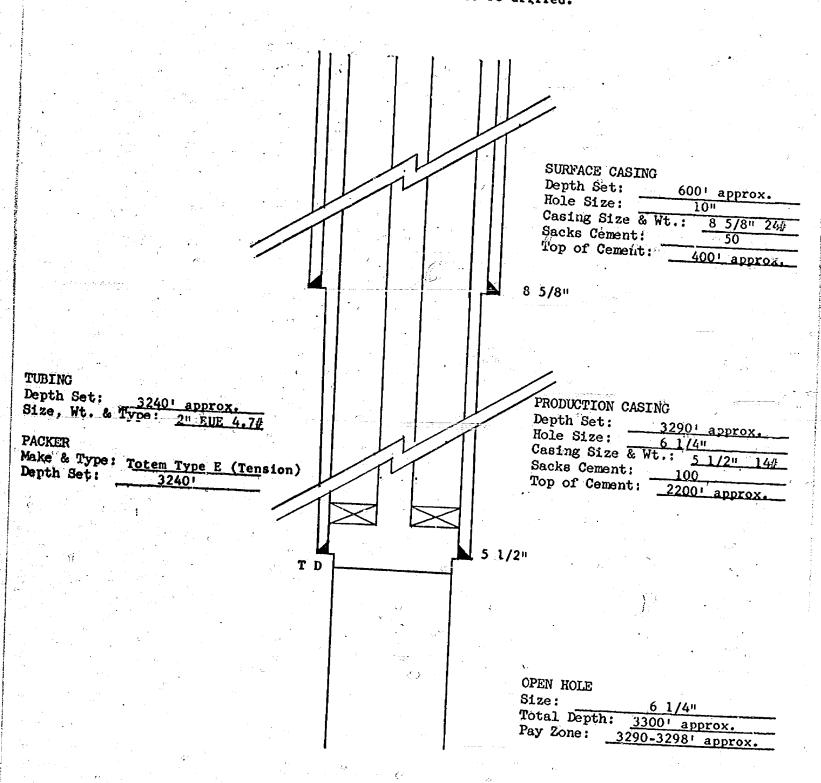


Lease and Well No.:

Arnold "D" #9

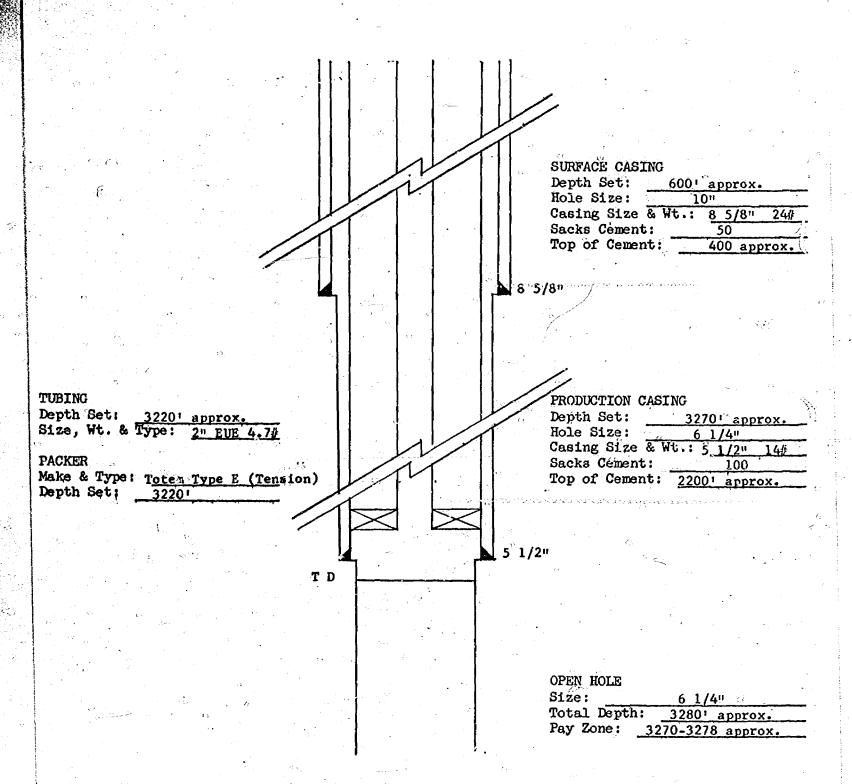
Location: 330' feet from North line and feet from East line of Section 34 TWP 17-S RGE 30-E N.M.P.M. Eddy County, New Mexico

This well is to be drilled.



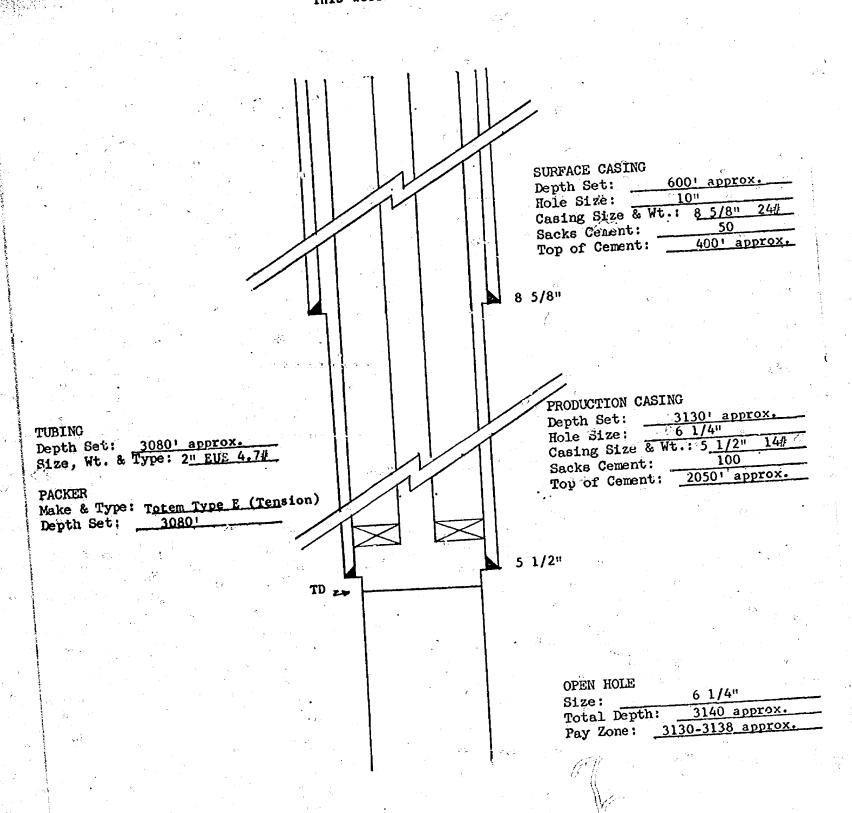
	Well No.:	Arnold "	8∦ יים	
Location:	3301	feet from	North	line and
	21401	feet from	East	line of
•	Section	34 TWP	17-S	RGE 30-E
	N.M.P.M.	Eddy	County,	New Mexico

This well is to be drilled.



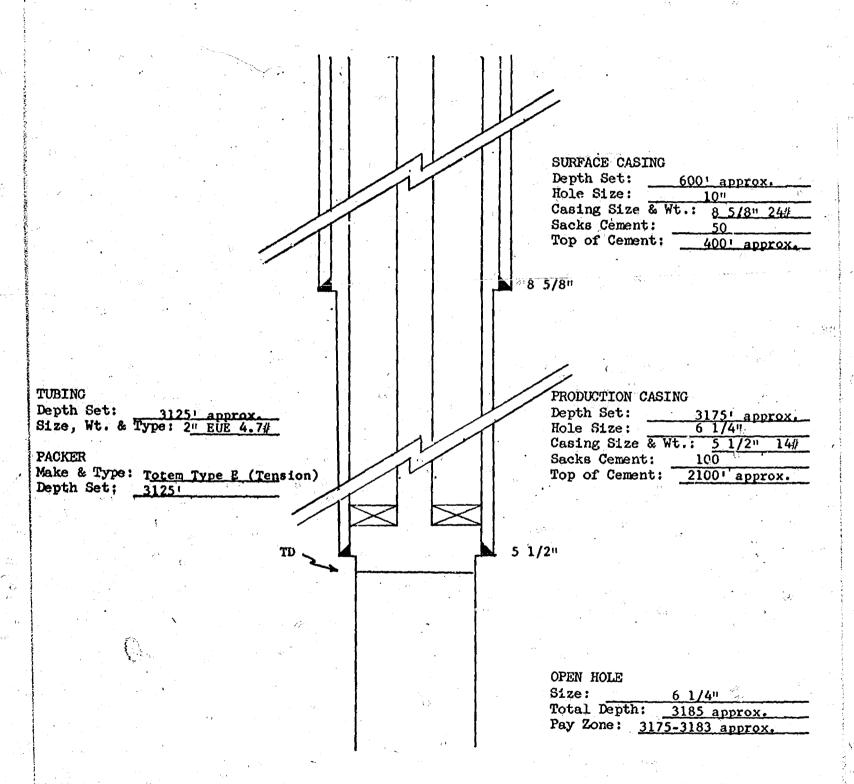
Lesse and Location:	Well No.: 25 1100	Arnold "D" #7 feet from North feet from West TWP 17-S	line and line of RGE 30-E
<u> </u>	Section	milio 17 C	32.00

This well is to be drilled.



Lease and	Well No.:	Arno	וימיי 1d #	6		
Location:	23101	feet		North	line	and
	330'	feet	from	West	line	of
	Section	27	TWP	17-S	RGE	30-E
*,	N.M.P.M.	Ed	dy	County,	New Mex	deo

This well is to be drilled.



BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF GENERAL AMERICAN OIL COMPANY OF TEXAS FOR AN ORDER AUTHORIZING A TWO-STAGE WATERFLOOD PROJECT INJECTING WATER INTO THE PREMIER SAND OF THE GRAYBURG JACKSON POOL, EDDY COUNTY, NEW MEXICO, FOR THE PURPOSE OF THE SECONDARY RECOVERY OF OIL IN SECTIONS 27, 28, 33, and 34, OF TOWNSHIP 17 SOUTH, RANGE 30 EAST.

No. 3083

APPLICATION

COMES NOW General American Oil Company of Texas by its attorney, John F. Russell, and states:

- 1. Applicant General American Oil Company of Texas is the owner or is in the process of acquiring all of the operating rights covering the Premier Sand underlying all that portion of Sections 27, 28, 33, and 34 of Township 17 South, Range 30 East, covered by their proposed waterflood operations in the Grayburg Jackson Pool, Eddy County, New Mexico.
- 2. It proposes to conduct its waterflood project in two stages. The injection wells for the first stage are described as follows:
 - a) Arnold "D" Well No. 1 located 1980 ft. from the North line and 1980 feet from the West line of Section 27;
 - b) Arnold "D" Well No. 6 to be located 330 feet from the West line and 2310 feet from the North line of Section 27;
 - c) Maddren Beeson Well No. 9 located 1650 feet from the East line and 2310 feet from the South line of Section 27;

DOCKET MAILED

Date 2-8-64

- d) Maddren "A" Well No. 2 to be located 2615 feet from the North line and 1295 feet from the East line of Section 28;
- e) Maddren "E" Well No. 1 located 990 feet from the South line and 1650 feet from the East line of Section 28;
- f) Beeson "B" Well No. 1 located 330 feet from the North line and 990 feet from the East line of Section 33;
- g) Arnold "D" Well No. 8 to be located 330 feet from the North line and 2140 feet from the East line of Section 34;
- h) Arnold "D" Well No. 9 to be located 330 feet from the North line and 640 feet from the East line of Section 34;
- i) Federal "G" Well No. 1 located 330 feet from the North line and 330 feet from the West line of Section 34;
- North line and 1650 feet from the West line of Section 34.

Immediately following the completion of Stage I, it proposes to add the following injection wells:

- Arnold "D" Well No. 75 to be located 25 feet from the North line and 1100 feet from the West line Whater Oof Section 27;
- b) Beeson "A" Well No. 2 located 330 feet from the north line and 330 feet from the West line of Section 28.
- 3. Applicant attaches hereto, as Exhibit 1, a plat showing the location of the proposed injection wells and the location of all other wells within a radius of two miles from said proposed injection wells and the formation from which said wells are producing or have produced. The plat also indicates the lessees within said two-mile radius.
- 4. Applicant attaches hereto, as Exhibit 2, a plat showing the area to be covered by its proposed flood project and

the location of its proposed injection wells.

- 5. Applicant attaches hereto, as Exhibit 3, a diagrammatic sketch of the proposed injection well 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 the packer.
- 6. Applicant attaches hereto, as Exhibit 4, the available information covering all injection wells.
- 7. Applicant proposes to flood the Premier Sand between the interval of 3,170 feet to 3,300 feet from the surface, at an approximate minimum rate of 200 barrels per day and an approximate maximum rate of 800 barrels per day. The water used will be purchased from Caprock Water Company, from its Red Lake Basin Area.
- 8. A copy of this Application, complete with all attachments, has been delivered to Mr. Frank Irby in the office of the State Engineer, Santa Fe, New Mexico.

WHEREFORE, Applicant requests that the Commission set this matter down for hearing before its examiner, publish notice as required by law, and, after hearing, issue its order authorizing the injection of water as aforesaid.

Respectfully submitted,

GENERAL AMERICAN OIL COMPANY

OF TEXAS

0. Drawer 640

Roswell, New Mexico 88201

Applicant's Attorney

June 30, 1964

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DOCKET: EXAMINER HEARING - WEDNESDAY - JULY 22, 1964

9 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 Elvis A. Utz, Alternate Examiner:

CASE 3081: Application of Shell Oil Company for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the Langlie-Mattix Pool by the injection of water through four wells at unorthodox locations in Section 21, Township 24 South, Range 37 East, Lea County, New Mexico.

CASE 3082: Application of Union Cil Company of California for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Devonian formation through perforations from 11,246 feet to 11,235 feet in its State-Gross Well No. 2 located in Unit L of Section 11, Township 12 South, Range 32 East, East Caprock Field, Lea County, New Mexico.

CASE 3083:

Application of General American Oil Company of Texas for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the Premier Sand through twelve wells located in Sections 27, 28, 33 and 34, Township 17 South, Range 30 East, Eddy County, New Mexico. Certain of the aforesaid injection wells would be drilled at unorthodox locations.

CASE 3084: Application of Fair Oil Company for a buffer zone extension and pool redelineation, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an amendment of Order No. R-2033 to extend the waterflood buffer zone authorized by said order to include the SE/4 NE/4 of Section 36, Township 17 South, Range 29 East, Eddy County, New Mexico. Applicant further seeks the extension of the Loco Hills Pool to include said quarter-quarter section, and the associated deletion of said acreage from the Grayburg-Jackson Pool.

CASE 3085: Application of Humble Oil & Refining Company for two non-standard oil proration units, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of two non-standard 80-acre oil proration units in Section 7, Township 19 South, Range 35 East, Schar Bone Springs Pool, Lea County, New Mexico. The first unit would comprise the NW/4 NE/4 and the NE/4 NW/4 of Section 7 and be dedicated to applicant's Alves Well No. 1 located in Unit B of said Section 7. The second unit would comprise the SW/4 NE/4 and the SE/4 NW/4 of Section 7 and be dedicated to applicant's Alves Well No. 2, which would be drilled in Unit G of said Section 7.

CASE 3086: Application of Texaco Inc. for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the Rhodes Yates Oil Pool by the injection of water into the Yates and Seven Kivers formations through two wells in Section 26, Township 26 South, Range 37 East, Lea County, New Mexico.



Case 3083

MAIN OFFICE OCC

STATE OF NEW MEXICOUL 6 AH 7:42

STATE ENGINEER OFFICE

SANTA FE

S. E. REYNOLDS

ADDRESS CORRESPONDENCE TO: STATE CAPITOL SANTA FE, N. M.

July 2, 1964

Mr. A. L. Porter, Jr. Secretary-Director Oil Conservation Commission Santa Fe, New Mexico

Dear Mr. Porter:

Reference is made to the application of General American Oil Company of Texas submitted on June 30, 1964 by John F. Russell, which seeks authorization of the two-stage waterflood project injecting water into the Premier Sand in Sections 27, 28, 33 and 34 of Township 17 S., Range 30 E.

After reviewing the application and Exhibits 1 through 4, it appears that no threat of contamination to any fresh waters which may exist in the area will occur, provided the plan is followed. This office offers no objection to the granting of the application provided the wells are cased, cemented and equipped as indicated in the diagrammatic sketches for the individual wells.

Yours truly,

S. E. Reynolds State Engineer

FEI/ma cc-John F. Russell (2 copies)

Frank E. Irby

Chief

DOCKET MAILED Water Rights Div.

02

(E

BEFORE EXAMINER NUTTER

Location: Well No: Elevation: Completion Data: Operator: Fracing Record: Pay Zone: Surface Casing: Well data on wells to be converted to injection Acidizing Record: PB Total Depth: Total Depth: Production_Casing: Shot Record: No Quarts: Gals: Volume: Interval: No. Sacks: Depth Set: Size & Wt.: Depth Set: Interval: Interval: No. Sacks: Size & Wt. 30621 32101 36221 320 100 5201 3631 3170-31751 8 5/8" General American 3160-3210 7-18-43 1980' FNL & 1980' FWL Sec 27, 17-S, 30-E 330' FNL & 330' FEL Sec 28, Arnold "D" #1 20# 28# 790 3160-3205 7-23-43 3565 3116-3125 General American Beeson "A" #2 9 31301 3644 10 3/4" 1251' 15" 4501 12 1/2" 17-S. 30-E General American Oil Company of Texas Grayburg-Jackson Premier Sand Flood Eddy County, New Mexico 8 5/8" 33601 100 2947 5571 3618 9 5-23-39 330' FNL & 330' FEL Sec 34. 3297-33051 50 Federal "G" #1 3297-3305 General American 24# 17-S, 30-E

Actions	17-1:ma	Interval:	Date:	Fracing Record:		Interval:	Cals:	Date:	Acidizing Pecord:	No Quarts	Interval	Date	Shot Record:	Pay Zone:		No. Sacks	Size & Wt.	Depth Set	Production Casing:	NO. Sach	No Socks	C4 - C - C4 - C4 - C4 - C4 - C4 - C4 -	Depth Set	Surface Casing:	ps Total Denth:	יייייייייייייייייייייייייייייייייייייי	Completion Data:	Treast Your	FT DUST COS.	Location:	Well No:	Operator:				*	well data on wells to	
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UNITED STATES DEPARTMENT OF THE INTERIOR GEOLOGICAL SURVEY

P. O. Drawer U Artesia, New Mexico 88210

G A O C 301 mg 701964 NEW MEXICO

July 16, 1964

General American Oil Co. of Texas P. 0. Box 416

Loco Hills, New Mexico

Re: Oil & Gas Leases

LC 028936(a), LC 028936(e), LC 028992(b), LC 053259(a),

LC 060525, NM 0467934

Gentlemen:

Your application of June 30, 1964, requests approval to instigate a waterflood of the Premier sand section of the Grayburg-Jackson Field in sections 27, 28, 33, 34, and 35 of T. 17 S., R. 30 E., Eddy County, New Mexico. The waterflood is to include the subject leases in the sections as described above.

The plan you propose for waterflooding the Grayburg formation is satisfactory to this office and is hereby approved on a lease basi provided that the properties of Sinclair and Ambassador are acquired by General American as stated in the application. It is understood that you may unitize these leases at a later date.

Appropriate notices and reports to convert existing producing wells to water injection should be submitted for approval on form 9-331 prior to commencing the work. Duplicate copies of a monthly progress report are to be submitted showing the volume of water injected and average pressures for each injection well and monthly oil and water production for the producing wells in the project

Sincerely yours,

ames A. Knauf District Engineer

cc: Roswell

REShook: hb

BEFORE EXAMINER NUTTER

OR CONSERVATION COMMISSION

EXHIBIT NO.

308_