

Entered August 27, 1973
(C.S.P.)

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. 5040
Order No. R-4621

APPLICATION OF WALLEN PRODUCTION
COMPANY FOR A PRESSURE MAINTENANCE
PROJECT, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on August 9, 1973, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 24th day of August, 1973, 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, Wallen Production Company, seeks authority to institute a waterflood project in the North Lynch Yates-Seven Rivers Pool, by the injection of water into the Yates-Seven Rivers formation through its Federal Well No. 2, located in Unit C, 1650 feet from the West line and 990 feet from the North line of Section 20, Township 20 South, Range 34 East, NMPM, Lea County, New Mexico.
- (3) That the wells in the area of the project are classified as "marginal" wells.
- (4) That the subject waterflood project is in the interest of conservation and may result in the recovery of otherwise unrecoverable oil, thereby preventing waste.
- (5) That the operator should take all steps necessary to ensure that the injected water enters only the proposed injection interval and is not permitted to escape to other formations or onto the surface from injection, production, or plugged and abandoned wells.

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(6) 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.

IT IS THEREFORE ORDERED:

(1) That the applicant, Wallen Production Company, is hereby authorized to institute a waterflood project in the North Lynch Yates-Seven Rivers Pool, by the injection of water into the Yates-Seven Rivers formation through the Federal Well No. 2, located in Unit C, 1650 feet from the West line and 990 feet from the North line of Section 20, Township 20 South, Range 34 East, NMPM, Lea County, New Mexico.

PROVIDED HOWEVER, that injection shall be through internally cement-coated tubing set in a packer at approximately 3202 feet; that the casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge at the surface to facilitate detection of leaks in the casing, tubing or packer.

(2) That the subject project is hereby designated the Wallen North Lynch Waterflood Project and shall be governed by the provisions of Rules 701, 702 and 703 of the Commission Rules and Regulations.


(3) That the operator shall immediately notify the supervisor of the Commission's Hobbs district office of the failure of the tubing or packer in any of said injection wells, the leakage of water or oil from around any producing well, or the leakage of water or oil from any plugged and abandoned well within the project area and shall take such timely steps as may be necessary or required to correct such failure or leakage.

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


(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


I. R. TRUJILLO, Chairman


ALEX J. ARMILLO, Member


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

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