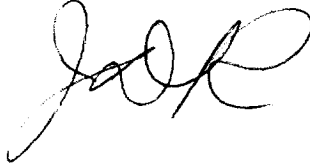


Entered December 23, 1975



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. 5583
Order No. R-5140

APPLICATION OF STEVENS OIL COMPANY
FOR A PILOT WATERFLOOD PROJECT, CHAVES
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on December 17, 1975, at Santa Fe, New Mexico, before Examiner, Daniel S. Nutter.

NOW, on this 23rd day of December, 1975, 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.

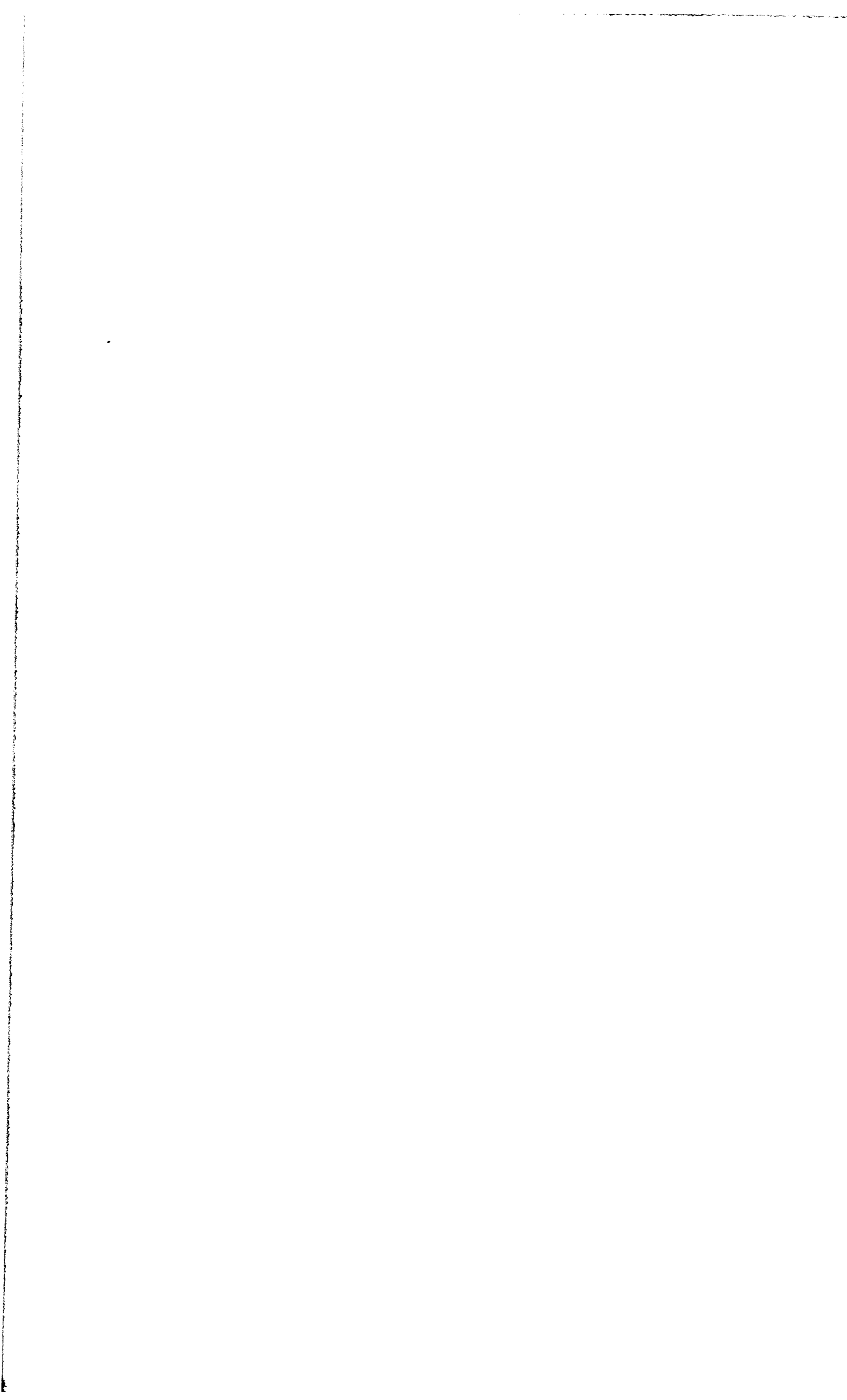
(2) That the applicant, Stevens Oil Company, seeks authority to institute a waterflood project in the Twin Lakes-San Andres Pool by the injection of water into the San Andres formation through its Twinlakes Oil Company Well No. 1 located in Unit D of Section 12, Township 9 South, Range 28 East, NMPM, Chaves County, New Mexico.

(3) That the nature of the proposed project is such that it should more properly be classified as a pressure maintenance project.

(4) That the proposed pressure maintenance project should result in the recovery of otherwise unrecoverable oil, thereby preventing waste.

(5) That there are no known fresh water sands in the area.

(6) That applicant's proposed method of injection through 8 5/8-inch casing, cement on which has been circulated to the surface, and into the open-hole interval from 1969 feet to 2650 feet, will not cause waste nor impair fresh water supplies and should be permitted.



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(7) 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.

(8) 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, Stevens Oil Company, is hereby authorized to institute a pressure maintenance project in the Twin Lakes-San Andres Pool by the injection of water into the San Andres formation through its Twinlakes Oil Company Well No. 1, located in Unit D of Section 12, Township 9 South, Range 28 East, NMPM, Chaves County, New Mexico.

(2) That injection shall be through the 8 5/8-inch casing into the open-hole interval from 1969 feet to 2650 feet.

(3) That the operator shall immediately notify the supervisor of the Commission's Artesia district office of evidence of casing failure in the aforesaid injection well, 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 the project area shall comprise the defined boundaries of the Twin Lakes-San Andres Pool.

(5) That the subject project is hereby designated the Twin Lakes Pressure Maintenance Project and shall be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

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

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

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DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

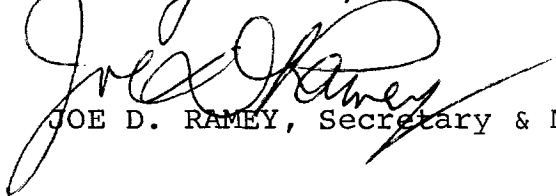
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



PHIL R. LUCERO, Chairman



EMERY C. ARNOLD, Member



JOE D. RAMEY, Secretary & Member

S E A L

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