

Entered October 13, 1981
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STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 7353
Order No. R-5530-C

APPLICATION OF TEXACO INC.
FOR THE AMENDMENT OF DIVISION
ORDER NO. R-5530, LEA COUNTY,
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on September 23, 1981, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 13th day of October, 1981, the Division Director, 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 Division has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Texaco Inc., seeks the amendment of Order No. R-5530, which authorized its Central Vacuum Unit Area Pressure Maintenance Project, to increase the total project area allowable, or as an alternative, to reclassify the project as a waterflood project.

(3) That said Division Order No. R-5530, as amended, authorized the applicant to operate said pressure maintenance project in the Vacuum Grayburg-San Andres Pool, Lea County, New Mexico.

(4) That paragraph (13) of Order No. R-5530 established parameters and limitations for a project area allowable to be available for producing wells within said project.

(5) That under said paragraph (13) the project area allowable is limited to 12,320 barrels per day.

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(6) That wells in the project are now producing at a combined rate of approximately 12,000 barrels per day and production is expected to increase to approximately 17,000 barrels per day.

(7) That removal of the limitation on the project area allowable, which limit equals 80 barrels of oil per day times the number of developed 40-acre tracts within the project area times two, would permit the applicant the relief sought and would be consistent with the allowable formula for an offsetting pressure maintenance project in the same pool.

(8) That no offset operator objected to the proposed increase in project area allowable.

(9) That that part of the subject application seeking in the alternative to reclassify said pressure maintenance project as a waterflood should be dismissed.

(10) That approval of the application will not result in waste nor violation of correlative rights.

IT IS THEREFORE ORDERED:

(1) That effective October 1, 1981, paragraph (13) on page 6 of Division Order No. R-5530 is hereby amended to read in its entirety as follows:

"(13) That the project area shall receive a project area allowable, and said project area allowable shall be the sum of the basic project area allowable plus the water injection credit allowable."

(2) That that portion of the application in this case seeking, in the alternative, to redesignate Texaco Inc.'s Central Vacuum Pressure Maintenance Project as a waterflood project is hereby dismissed.

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

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

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY
Director

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