

Entered September 10, 1979
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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. 6614
Order No. R-6094

APPLICATION OF TEXACO INC. FOR
THE AMENDMENT OF ORDER NO. R-4442,
LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on August 8, 1979,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 10th day of September, 1979, 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-4442 to remove the top unit allowable restriction
from producing wells in the Vacuum Grayburg San Andres Unit
which are offset by "lease line" injection wells.
- (3) That the applicant is conducting a pressure maintenance
project in said Vacuum Grayburg San Andres Unit Area.
- (4) That lease line injection wells are in operation along
or around over 50 percent of the unit boundary.
- (5) That the top unit allowable restrictions for producing
wells along the border of said Vacuum Grayburg San Andres Unit
should be removed.

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(6) That Rule 3 of the Special Rules and Regulations for the Texaco Inc. Vacuum Grayburg San Andres Pressure Maintenance Project as promulgated by Division Order No. R-4442 should be amended to read in its entirety as follows:

"RULE 3. That the project area allowable may be produced from any well within the project area in any proportion provided, however, that any proration unit situated on the boundary of the Vacuum Grayburg San Andres Unit which proration unit is not directly or diagonally offset by a San Andres injection well located either closer to the boundary of or outside the Vacuum Grayburg San Andres Unit shall not be permitted to produce in excess of 80 barrels of oil per day until it has been established after notice and hearing that such well has experienced a substantial response to water injection."

IT IS THEREFORE ORDERED:

(1) That effective September 1, 1979, Rule 3 of the Special Rules and Regulations for the Texaco Inc. Vacuum Grayburg San Andres Pressure Maintenance Project as promulgated by Division Order No. R-4442 is hereby amended to read in its entirety as follows:

"RULE 3. That the project area allowable may be produced from any well within the project area in any proportion provided, however, that any proration unit situated on the boundary of the Vacuum Grayburg San Andres Unit which proration unit is not directly or diagonally offset by a San Andres injection well located either closer to the boundary of or outside the Vacuum Grayburg San Andres Unit shall not be permitted to produce in excess of 80 barrels of oil per day until it has been established after notice and hearing that such well has experienced a substantial response to water injection."

(2) 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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