Emtered Jame 11, 1964

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. 3053 Order No. R-2710

APPLICATION OF TEXACO INC. FOR A WATERFLOOD PROJECT, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on May 27, 1964, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 3rd day of June, 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, Texaco Inc., seeks authority to institute a waterflood project in the Maljamar Pool by the injection of water into the Grayburg-San Andres formation through two wells located in Section 12, Township 17 South, Range 32 East, NMPM, Lea County, New Mexico.
- (3) That the wells in the proposed project area are in an advanced state of depletion and should properly be classified as "stripper" wells.
- (4) That the proposed waterflood project is in the interest of conservation and should result in recovery of otherwise unrecoverable oil, thereby preventing waste.

-2-CASE No. 3053 Order No. R-2710

(5) That the subject application should be approved and the project should be governed by the provisions of Rule 70l of the Commission Rules and Regulations.

IT IS THEREFORE ORDERED:

- (1) That the applicant, Texaco Inc., is hereby authorized to institute a waterflood project in the Maljamar Pool by the injection of water into the Grayburg-San Andres formation through the following-described two wells in Section 12, Township 17 South, Range 32 East, NMPM, Lea County, New Mexico:
 - (a) Texaco Inc. State of New Mexico "O" (NCT-3) Well No. 20 located 1980 feet from the North line and 660 feet from the East line.
 - (b) Texaco Inc. State of New Mexico "O" (NCT-3) Well No. 22 located 1980 feet from the North line and 1982 feet from the West line.
- (2) That the subject waterflood project shall be governed by the provisions of Rule 701 of the Commission Rules and Regulations, including the allowable provisions thereof, and including the provisions with respect to expansion of the waterflood project
- (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) 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

QLL CONSERVATION COMMISSION

ACK M. CAMPBELL, Chairman

E S. WALKER, Member

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

esr/

SEAL