Entered guy 13, 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. 3070 Order No. R-2737

APPLICATION OF NEARBURG & INGRAM AND KINCAID & WATSON DRILLING COM-PANY FOR A WATERFLOOD PROJECT, EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on July 1, 1964, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 8th day of July, 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, Nearburg & Ingram, seeks permission to institute a waterflood project in the Square Lake Pool by the injection of water into the Grayburg formation through one injection well in Section 6, Township 17 South, Range 30 East, NMPM, Eddy County, New Mexico.
- (3) That the applicant, Kincaid & Watson Drilling Company, seeks permission to institute a waterflood project in the Square Lake Pool by the injection of water into the Grayburg formation through two injection wells in Section 6, Township 17 South, Range 30 East, NMPM, Eddy County, New Mexico.

-2-CASE No. 3070 Order No. R-2737

- (4) That the wells in both project areas are in an advanced state of depletion and should properly be classified as "stripper" wells.
- (5) That the proposed waterflood projects should result in the recovery of otherwise unrecoverable oil, thereby preventing waste.
- (6) That the subject application should be approved and the projects 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, Nearburg & Ingram, is hereby authorized to institute a waterflood project in the Square Lake Pool by the injection of water into the Grayburg formation through the following-described well in Section 6, Township 17 South, Range 30 East, NMPM, Eddy County, New Mexico:
 - Nearburg & Ingram-Drewery Well No. 2, located 1650 feet from the North line and 1980 feet from the West line.
- (2) That the applicant, Kincaid & Watson Drilling Company, is hereby authorized to institute a waterflood project in the Square Lake Pool by the injection of water into the Grayburg formation through the following-described wells in Section 6, Township 17 South, Range 30 East, NMPM, Eddy County, New Mexico:
 - Kincaid & Watson-Wright Federal Well No. 2, located 660 feet from the North line and 607 feet from the West line.
 - Kincaid & Watson-Wright Federal Well No. 5, located 659 feet from the North line and 1940 feet from the East line.
- (3) That the subject waterflood projects shall be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.
- (4) That monthly progress reports of the waterflood projects herein authorized shall be submitted to the Commission in

-3-CASE No. 3070 Order No. R-2737

accordance with Rules 704 and 1119 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

ACK M. CAMPBELL, Chairman

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

S E A L