



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**

Governor

**Joanna Prukop**

Cabinet Secretary

August 18, 2004

**Mark E. Fesmire, P.E.**

Director

Oil Conservation Division

**Melrose Operating Company**  
Attention: **Anthony J. Beilman**  
P. O. Box 953  
Midland, Texas 79702

*Administrative Order NSL-5098*

Dear Mr. Beilman:

Reference is made to the following: (i) your initial application (*administrative application reference No. pSEM0-417534968*) submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe on June 22, 2004; (ii) Ms. Ann E. Ritchie's amendment to your application filed with the Division on June 28, 2004; (iii) Ms. Ritchie's e-mail to Mr. David Catanach, Engineer with the Division in Santa Fe, on Monday, August 16, 2004 checking on the status of this application; and (iv) the Division's records: all concerning Melrose Operating Company's (Melrose") request to drill the following three described wells at unorthodox oil well locations along the "lease-line" that separates Melrose's Jalmat Field-Yates Sand Unit and Cone Jalmat Yates Pool Unit Waterflood Projects within the Jalmat Gas Pool (33820) in Section 13, Township 22 South, Range 35 East, NMPM, Lea County, New Mexico:

- (a) Jalmat Field Yates Sand Unit (property code No. 25191) Well No. 199  
2546 feet from the North line and 94 feet from the West line (Unit E);
- (b) Cone Jalmat Yates Pool Unit (property code No. 25203) Well No. 200  
1310 feet from the South line and 10 feet from the West line (Unit M); and
- (c) Cone Jalmat Yates Pool Unit (property code No. 25203) Well No. 204  
2625 feet from the South line and 1310 feet from the West line (Unit L).

**The Division Director Finds That:**

(1) Melrose is the operator of the Jalmat Field-Yates Sand Unit Area Waterflood Project, established by Division Order No. R-2243, issued in Case No. 2546 on May 28, 1962. This secondary recovery project and corresponding Jalmat Field-Yates Sand Unit Area (see Division Order No. R-2545, issued in Case No. 2545 on May 3, 1962) comprise the following described 2,680.00 acres, more or less, in Lea County, New Mexico:

**TOWNSHIP 22 SOUTH, RANGE 35 EAST, NMPM**

Section 2:	S/2 S/2
Section 3:	SE/4 SE/4
Section 10:	N/2 NE/4 and SE/4
Section 11:	All
Section 12:	W/2
Section 13:	N/2
Section 14:	All
Section 23:	N/2.

(2) Melrose is also the operator of the Cone Jalmat Yates Pool Unit Waterflood Project, established by Division Order No. R-2495, issued in Case No. 2803 on June 11, 1963. This secondary recovery project and corresponding Cone Jalmat Yates Pool Unit Area (see Division Order No. R-2494, issued in Case No. 2802 on June 11, 1963) comprises the following described 1,760.00 acres, more or less, in Lea County, New Mexico:

TOWNSHIP 22 SOUTH, RANGE 35 EAST, NMPM

Section 13:	N/2
Section 23:	E/2 SE/4
Section 24:	All
Section 25:	N/2, E/2 SW/4, and SE/4
Section 36:	NE/4.

(3) Oil wells within the Jalmat Gas Pool within both waterflood projects are subject to but not necessarily limited to Rules 2 (B), 3 (A) (1), and 3 (B) of the "*Special Pool Rules for the Jalmat Gas Pool*," as promulgated by Division Order No. R-8170-P, issued in Case No. 12563 on December 14, 2001, the statewide rules and regulations for oil wells, as promulgated by Division Rules 104.B (1) and 104.F (1), revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case 12119 on August 12, 1999, which provides for 40-acre oil spacing and proration units and requires that wells be located no closer than the required minimum distance to the outer boundary of the lease or unitized area (pressure maintenance/waterflood project area), in this case 330 feet, nor closer than 10 feet to any quarter-quarter section line or subdivision inner boundary.

(4) These three proposed wells should benefit both secondary recovery projects by allowing for the completion of an efficient and effective production/injection pattern within this portion of the pool along this common boundary line.

(5) It is the Division's understanding that Melrose as operator will split the proceeds from Jalmat oil production from these three wells between the two waterflood units on a fair and equitable basis.

(6) Pursuant to Division Rule 1207.A (2) (a), revised by Division Order No. R-11205, issued by the New Mexico Oil Conservation Commission in Case No. 12177 on June 17, 1999, Melrose, as operator and owner of 100 percent of the working interest in both projects, provided notice to all of the non-cost bearing interest owners in both projects.

(7) This application has been duly filed under the provisions of: (i) Division Rule 104.F, as revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999; and (ii) the applicable rules governing the Jalmat Gas pool.

(8) Approval of this application is in the best interest of conservation, will serve to prevent waste, protects correlative rights, exhibits sound engineering practices, and should allow for the recovery of additional reserves that might not otherwise be produced.

**It Is Therefore Ordered That:**

(1) By the authority granted me under the provisions of Division Rule 104.F (2), as revised, and Rules 4 (A) and (D) of the "*Special Pool Rules for the Jalmat Gas Pool*," as promulgated by Division Order No. R-8170-P, issued in Case No. 12563 on December 14, 2001, Melrose Operating Company, as operator of the above-described: (i) Jalmat Field-Yates Sand Unit Area Waterflood Project; and (ii) Cone Jalmat Yates Pool Unit Waterflood Project, is hereby authorized to drill the following three wells at unorthodox oil well locations within the Jalmat Gas Pool (33820) in Section 13, Township 22 South, Range 35 East, NMPM, Lea County, New Mexico:

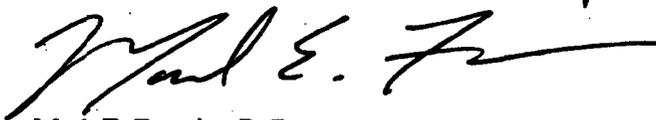
- (a) Jalmat Field Yates Sand Unit (property code No. 25191) Well No. 199  
2546 feet from the North line and 94 feet from the West line (Unit E);
- (b) Cone Jalmat Yates Pool Unit (property code No. 25203) Well No. 200  
1310 feet from the South line and 10 feet from the West line (Unit M); and
- (c) Cone Jalmat Yates Pool Unit (property code No. 25203) Well No. 204  
2625 feet from the South line and 1310 feet from the West line (Unit L).

(2) These three wells shall be governed by all applicable provisions of Division Rules 702 through 706 and the applicable rules and procedures governing the: (i) Jalmat Gas Pool; (ii) Jalmat Field-Yates Sand Unit Area Waterflood Project, established by Division Order No. R-2243, issued in Case No. 2546 on May 28, 1962; and (iii) Cone Jalmat Yates Pool Unit Waterflood Project, established by Division Order No. R-2495, issued in Case No. 2803 on June 11, 1963.

(3) The distribution of proceeds from Jalmat oil production from these three wells shall be allocated between the two above-described waterflood units on a fair and equitable basis.

(4) Jurisdiction of this matter shall be further retained for the entry of any such subsequent orders, as the Division may deem necessary.

Sincerely,



Mark E. Fesmire, P. E.  
Director

MEF/mes

cc: New Mexico Oil Conservation Division - Hobbs  
New Mexico State Land Office - Santa Fe  
Ms. Ann E. Ritchie, Regulatory Agent - Melrose Operating Company, Midland ([ann.Ritchie@wtor.net](mailto:ann.Ritchie@wtor.net))



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**  
Governor  
**Joanna Prukop**  
Cabinet Secretary

April 7, 2005

**Mark E. Fesmire, P.E.**  
Director  
Oil Conservation Division

Melrose Operating Company  
Attention: Robert S. Lee, P. E.  
P. O. Box 953  
Midland, Texas 79702

*Administrative Order NSL-5191*

Dear Mr. Lee:

Reference is made to the following: (i) your application (*administrative application reference No. pSEM0-506647908*) submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on March 7, 2005; and (ii) the Division's records in Hobbs and Santa Fe, including the file on Division Administrative Order NSL-5098: all concerning Melrose Operating Company's ("Melrose") request to drill the following three wells at unorthodox oil well locations along the "lease-line" that separates Melrose's Jalmat Field-Yates Sand Unit and Cone Jalmat Yates Pool Unit Waterflood Projects within the Jalmat Gas Pool (33820) in Sections 14, 23, and 24, all in Township 22 South, Range 35 East, NMPM, Lea County, New Mexico:

- (a) Jalmat Field Yates Sand Unit (property code No. 25191) Well No. 214 to be drilled 100 feet from the South and East lines (Unit P) of Section 14;
- (b) Jalmat Field Yates Sand Unit Unit (property code No. 25191) Well No. 215 to be drilled 1320 feet from the North line and 100 feet from the East line (Unit A) of Section 23; and
- (c) Cone Jalmat Yates Pool Unit (property code No. 25203) Well No. 216 to be drilled 2540 feet from the North line and 140 feet from the West line (Unit E) of Section 24.

**The Division Director Finds That:**

- (1) Melrose is the operator of the Jalmat Field-Yates Sand Unit Area Waterflood Project, established by Division Order No. R-2243, issued in Case No. 2546 on May 28, 1962. This secondary recovery project and corresponding Jalmat Field-Yates Sand Unit Area (see Division Order No. R-2545, issued in Case No. 2545 on May 3, 1962) comprise the following described 2,680.00 acres, more or less, in Lea County, New Mexico:

**TOWNSHIP 22 SOUTH, RANGE 35 EAST, NMPM**

Section 2:	S/2 S/2
Section 3:	SE/4 SE/4
Section 10:	N/2 NE/4 and SE/4
Section 11:	All
Section 12:	W/2
Section 13:	N/2
Section 14:	All
Section 23:	N/2.

(2) Melrose is also the operator of the Cone Jalmat Yates Pool Unit Waterflood Project, established by Division Order No. R-2495, issued in Case No. 2803 on June 11, 1963. This secondary recovery project and corresponding Cone Jalmat Yates Pool Unit Area (see Division Order No. R-2494, issued in Case No. 2802 on June 11, 1963) comprises the following described 1,760.00 acres, more or less, in Lea County, New Mexico:

TOWNSHIP 22 SOUTH, RANGE 35 EAST, NMPM

Section 13:	N/2
Section 23:	E/2 SE/4
Section 24:	All
Section 25:	N/2, E/2 SW/4, and SE/4
Section 36:	NE/4.

(3) Oil wells within the Jalmat Gas Pool within both waterflood projects are subject to but not necessarily limited to Rules 2 (B), 3 (A) (1), and 3 (B) of the "Special Pool Rules for the Jalmat Gas Pool," as promulgated by Division Order No. R-8170-P, issued in Case No. 12563 on December 14, 2001, the statewide rules and regulations for oil wells, as promulgated by Division Rules 104.B (1) and 104.F (1), revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case 12119 on August 12, 1999, which provides for 40-acre oil spacing and proration units and requires that wells be located no closer than the required minimum distance to the outer boundary of the lease or unitized area (pressure maintenance/waterflood project area), in this case 330 feet, nor closer than 10 feet to any quarter-quarter section line or subdivision inner boundary.

(4) These three proposed wells should benefit both secondary recovery projects by allowing for the completion of an efficient and effective production/injection pattern within this portion of the pool along this common boundary line.

(5) It is the Division's understanding that Melrose as operator will split the proceeds from Jalmat oil production from these three wells between the two waterflood units on a fair and equitable basis.

(6) Pursuant to Division Rule 1207.A (2) (a), revised by Division Order No. R-11205, issued by the New Mexico Oil Conservation Commission in Case No. 12177 on June 17, 1999, Melrose, as operator and owner of 100 percent of the working interest in both projects, provided notice to all of the non-cost bearing interest owners in both projects.

(7) This application has been duly filed under the provisions of: (i) Division Rule 104.F, as revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999; and (ii) the applicable rules governing the Jalmat Gas pool.

(8) Approval of this application is in the best interest of conservation, will serve to prevent waste, protects correlative rights, exhibits sound engineering practices, and should allow for the recovery of additional reserves that might not otherwise be produced.

**It Is Therefore Ordered That:**

(1) By the authority granted me under the provisions of Division Rule 104.F (2), as revised, and Rules 4 (A) and (D) of the "Special Pool Rules for the Jalmat Gas Pool," as promulgated by Division Order No. R-8170-P, issued in Case No. 12563 on December 14, 2001, Melrose Operating Company, as operator of the above-described: (i) Jalmat Field-Yates Sand Unit Area Waterflood Project; and (ii) Cone Jalmat Yates Pool Unit Waterflood Project, is hereby authorized to drill the following three wells at unorthodox oil well locations within the Jalmat Gas Pool (33820) in Sections 14, 23, and 24, all in Township 22 South, Range 35 East, NMPM, Lea County, New Mexico:

- (a) Jalmat Field Yates Sand Unit (property code No. 25191) Well No. 214 to be drilled 100 feet from the South and East lines (Unit P) of Section 14;
- (b) Jalmat Field Yates Sand Unit Unit (property code No. 25191) Well No. 215 to be drilled 1320 feet from the North line and 100 feet from the East line (Unit A) of Section 23; and
- (c) Cone Jalmat Yates Pool Unit (property code No. 25203) Well No. 216 to be drilled 2540 feet from the North line and 140 feet from the West line (Unit E) of Section 24.

(2) These three wells shall be governed by all applicable provisions of Division Rules 702 through 706 and the applicable rules and procedures governing the: (i) Jalmat Gas Pool; (ii) Jalmat Field-Yates Sand Unit Area Waterflood Project, established by Division Order No. R-2243, issued in Case No. 2546 on May 28, 1962; and (iii) Cone Jalmat Yates Pool Unit Waterflood Project, established by Division Order No. R-2495, issued in Case No. 2803 on June 11, 1963.

(3) The distribution of proceeds from Jalmat oil production from these three wells shall be allocated between the two above-described waterflood units on a fair and equitable basis.

(4) Jurisdiction of this matter shall be further retained for the entry of any such subsequent orders, as the Division may deem necessary.

Sincerely,



Mark E. Fesmire, P. E.  
Director

MEF/mes

cc: New Mexico Oil Conservation Division - Hobbs  
New Mexico State Land Office - Santa Fe  
File: NSL-5098

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. 2546  
Order No. R-2243

APPLICATION OF THE BRITISH AMERICAN  
OIL PRODUCING COMPANY FOR A WATER-  
FLOOD 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 April 25, 1962, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 28th day of May, 1962, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, 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 Jalmat Field-Yates Sand Unit has heretofore been approved by the Commission by Order No. R-2235; that the Jalmat Field-Yates Sand Unit Area comprises 2,680 acres in Township 22 South, Range 35 East, NMPM, Lea County, New Mexico, as more fully described in said order.

(3) That the applicant, The British American Oil Producing Company, seeks permission to institute a waterflood project in the Jalmat Field-Yates Sand Unit Area by the injection of water into the Yates formation of the Jalmat Pool initially through 16 wells located within said unit area.

(4) That the wells in the subject waterflood project are properly classified as "stripper" wells.

(5) That the subject application should be approved and should be made subject to the provisions of Rule 701.

(6) That restrictions should be imposed upon the method used to inject water in order to protect fresh water-bearing formations in the area.

IT IS THEREFORE ORDERED:

(1) That The British American Oil Producing Company is hereby authorized to institute a waterflood project in the Jalmat Field-Yates Sand Unit Area, located in Township 22 South, Range 35 East, NMPM, Lea County, New Mexico, by the injection of water initially through the following-described wells:

Amerada-State WE-J Well No. 2, Unit D, Section 11;  
Aztec-State J-10 Well No. 1, Unit P, Section 10;  
British American-Hull State "F" Well No. 1, Unit P, Section 11;  
British American-Hull State "F" Well No. 4, Unit H, Section 11;  
British American-Hull State "F" Well No. 5, Unit O, Section 11;  
British American-Hull State "F" Well No. 7, Unit J, Section 11;  
British American-Hull State "F" Well No. 10, Unit F, Section 11;  
British American-Hull State "F" Well No. 13, Unit B, Section 11;  
British American-New Mexico "B" Well No. 8, Unit B, Section 14;  
Carper Drilling Company-Randel "A" Well No. 5, Unit N, Section 2;  
Carper Drilling Company-Randel "C" Well No. 3, Unit N, Section 12;  
Carper Drilling Company-Randel "C" Well No. 4, Unit L, Section 12;  
Gulf-Janda "K" Well No. 2, Unit F, Section 14;  
Gulf-Janda "K" Well No. 3, Unit N, Section 14;  
Gulf-Janda "K" Well No. 5, Unit D, Section 14; and  
Gulf-Janda "K" Well No. 6, Unit L, Section 14.

(2) That the subject waterflood project shall be governed by the provisions of Rule 701.

(3) That water injection shall be accomplished either by injecting into all sands through one string of tubing under a packer or by injecting selectively through two strings of tubing under a packer; provided, however, that in the case of selective injection wells which are equipped with less than 5 1/2-inch pipe, selective injections may be made through one string of tubing under a packer and through the casing-tubing annulus in which case the casing must have been perforated and squeeze-cemented from total depth to the shoe of the surface string of casing.

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

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CASE No. 2546  
Order No. R-2243

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

E. S. WALKER, Member

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

S E A L

esr/

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. 2545  
Order No. R-2235

APPLICATION OF THE BRITISH AMERICAN  
OIL PRODUCING COMPANY FOR APPROVAL  
OF THE JALMAT FIELD-YATES SAND UNIT  
AGREEMENT, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on April 25, 1962, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 3rd day of May, 1962, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, 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, The British American Oil Producing Company, seeks approval of the Jalmat Field-Yates Sand Unit Agreement, embracing 2,680 acres, more or less, of State and fee lands in Township 22 South, Range 35 East, NMPM, Lea County, New Mexico.
- (3) That the proposed unit plan will in principle tend to promote the conservation of oil and gas and the prevention of waste.

IT IS THEREFORE ORDERED:

- (1) That the Jalmat Field-Yates Sand Unit Agreement is hereby approved.

PROVIDED HOWEVER, That notwithstanding any of the provisions contained in said unit agreement, this approval shall not be considered as waiving or relinquishing, in any manner, any right, duty, or obligation which is now, or may hereafter be, vested in the New Mexico Oil Conservation Commission by law relative to the supervision and control of operations for exploration and development of any lands committed to said Jalmat Field-Yates Sand Unit

Agreement, or relative to the production of oil and gas therefrom.

(2) That the unit area shall be:

TOWNSHIP 22 SOUTH, RANGE 35 EAST, NMPM  
LEA COUNTY, NEW MEXICO

Section 2: S/2 S/2  
Section 3: SE/4 SE/4  
Section 10: N/2 NE/4 and SE/4  
Section 11: All  
Section 12: W/2  
Section 13: N/2  
Section 14: All  
Section 23: N/2

containing 2,680 acres, more or less.

(3) That the unit operator shall file with the Commission an executed original or executed counterpart of the unit agreement within 30 days after the effective date thereof. In the event of subsequent joinder by any party, the unit operator shall file with the Commission within 30 days after such action counterparts of the unit agreement reflecting the subscription of those interests having joined or ratified.

(4) That this order shall become effective upon the approval of said unit agreement by the Commissioner of Public Lands for the State of New Mexico, and shall terminate ipso facto upon the termination of said unit agreement. The last unit operator shall notify the Commission in writing of such termination.

(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

EDWIN L. MECHEM, Chairman

S E A L

E. S. WALKER, Member

esr/

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

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. 2802  
Order No. R-2494

APPLICATION OF J. R. CONE  
FOR APPROVAL OF THE CONE  
JALMAT YATES POOL UNIT  
AGREEMENT, 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 15, 1963, at Roswell, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 11th day of June, 1963, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, 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, J. R. Cone, seeks approval of the Cone Jalmat Yates Pool Unit Agreement covering 1,760 acres, more or less, of State land in Township 22 South, Range 35 East, NMPM, Lea County, New Mexico.

(3) That approval of the proposed Cone Jalmat Yates Pool Unit Agreement will in principle tend to promote the conservation of oil and gas and the prevention of waste.

IT IS THEREFORE ORDERED:

(1) That the Cone Jalmat Yates Pool Unit Agreement is hereby approved.

(2) That the plan under which the unit area shall be operated shall be embraced in the form of a unit agreement for the development and operation of the Cone Jalmat Yates Pool Unit Area, and such plan shall be known as the Cone Jalmat Yates Pool Unit Agreement Plan.

(3) That the Cone Jalmat Yates Pool Unit Agreement Plan is hereby approved in principle as a proper conservation measure; provided, however, that notwithstanding any of the provisions contained in said unit agreement, this approval shall not be considered as waiving or relinquishing, in any manner, any right, duty, or obligation which is now, or may hereafter be, vested in the Oil Conservation Commission of New Mexico by law relative to the supervision and control of operations for the exploration and development of any lands committed to the Cone Jalmat Yates Pool Unit, or relative to the production of oil or gas therefrom.

(4) (a) That the unit area shall be:

NEW MEXICO PRINCIPAL MERIDIAN

LEA COUNTY, NEW MEXICO  
TOWNSHIP 22 SOUTH, RANGE 35 EAST

Section 13: S/2  
Section 23: E/2 SE/4  
Section 24: All  
Section 25: N/2, SE/4, and  
E/2 SW/4  
Section 36: NE/4

containing 1,760 acres, more or less.

(b) That the unit area may be enlarged or contracted as provided in said plan; provided, however, that administrative approval for expansion or contraction of the unit area must also be obtained from the Secretary-Director of the Commission.

(5) That the unit operator shall file with the Commission an executed original or executed counterpart of the Cone Jalmat Yates Pool Unit Agreement within 30 days after the effective date thereof. In the event of subsequent joinder by any party or expansion or contraction of the unit area, the unit operator shall file with the Commission within 30 days thereafter counterparts of the unit agreement reflecting the subscription of those interests having joined or ratified.

(6) That this order shall become effective upon the approval of said unit agreement by the Commissioner of Public Lands for the State of New Mexico, and shall terminate ipso facto upon the termination of said unit agreement. The last unit operator shall notify the Commission immediately in writing of such termination.

(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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CASE No. 2802  
Order No. R-2494

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

JACK M. CAMPBELL, Chairman

E. S. WALKER, Member

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

S E A L

esr/

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. 2803  
Order No. R-2495

APPLICATION OF J. R. CONE  
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 15, 1963, at Roswell, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 11th day of June, 1963, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, 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 Cone Jalmat Yates Pool Unit Agreement has been approved by the Commission by Order No. R-2494; that the Cone Jalmat Yates Pool Unit Area comprises 1,760 acres, more or less, of State land in Township 22 South, Range 35 East, NMPM, Lea County, New Mexico, as more fully described in said order.
- (3) That the applicant, J. R. Cone, seeks permission to institute a waterflood project in the Jalmat Pool in the Cone Jalmat Yates Pool Unit Area by the injection of water into the Yates formation through four wells located within said unit area.
- (4) That the wells in the project area are in an advanced state of depletion and should properly be classified as "stripper" wells.
- (5) That the proposed waterflood project is in the interest of conservation and should result in recovery of otherwise unrecoverable oil, thereby preventing waste.

(6) That the subject application should be approved and the project should be governed by the provisions of Rule 701 of the Commission Rules and Regulations.

(7) That all water injection should be through tubing under a packer; provided however, that selective water injection into more than one sand in wells which are equipped with less than 5 1/2-inch pipe may be through one string of tubing under a packer and through the casing-tubing annulus if the casing is perforated and squeeze-cemented from total depth to the surface casing shoe.

IT IS THEREFORE ORDERED:

(1) That the applicant, J. R. Cone, is hereby authorized to institute a waterflood project in the Jalmat Pool in the Cone Jalmat Yates Pool Unit Area by the injection of water into the Yates formation through the following-described four wells in Township 22 South, Range 35 East, NMPM, Lea County, New Mexico:

J. R. Cone Nix State Well No. 4, Unit J, Section 13  
J. R. Cone Nix State Well No. 5, Unit L, Section 13  
J. R. Cone Nix State Well No. 9, Unit N, Section 13  
J. R. Cone Nix State Well No. 7, Unit D, Section 24

(2) That all water injection shall be through tubing under a packer; provided however, that selective water injection into more than one sand in wells which are equipped with less than 5 1/2-inch pipe may be through one string of tubing under a packer and through the casing-tubing annulus if the casing is perforated and squeeze-cemented from total depth to the surface casing shoe.

(3) 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.

(4) 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.

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

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CASE No. 2803  
Order No. R-2495

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

JACK M. CAMPBELL, Chairman

E. S. WALKER, Member

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

S E A L

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