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. 4521
Order No. R-4133

APPLICATION OF SHENANDOAH OIL
CORPORATION FOR A WATERFLOOD
PROJECT, EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on April 14, 1971,
at Hobbs, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this __19th__ day of April, 1971, 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 sub-
ject matter thereof.

(2) That the applicant, Shenandoah Oil Corporation, seeks
authority to institute a waterflood project in the Grayburg-
Jackson Pool by the injection of water into the Grayburg and
San Andres formations through three wells, located in Sections
15 and 22 of Township 17 South, Range 30 East, NMPM, Eddy County,
New Mexico.

(3) That the applicant further seeks an administrative
procedure whereby said project could be expanded to include
additional injection wells in the area of the said project as
may be necessary in order to complete an efficient injection
pattern; that said administrative procedure should provide for
administrative approval for conversion to water injection in
exception to the well response requirements of Rule 701 E-5
of the Commission Rules and Regulations.

(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 should result in the 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 Rules 701, 702, and 703 of the Commission Rules and Regulations; provided however, that the showing of well response as required by Rule 701 E-5 should not be necessary before obtaining administrative approval for the conversion of additional wells to water injection.

IT IS THEREFORE ORDERED:

(1)   That the applicant, Shenandoah Oil Corporation, is hereby authorized to institute a waterflood project in the Grayburg-Jackson Pool by the injection of water into the Grayburg and San Andres formations through the following three wells, located in Township 17 South, Range 30 East, NMPM, Eddy County, New Mexico:

WELL NUMBER	LOCATION
Dale H. Parke "B" Tr. B, Well No. 1	SW/4 SW/4 Section 15
Dale H. Parke "B", Well No. 4	SE/4 NE/4 Section 15
Dale H. Parke "A" Tr. 1, Well No. 6	SW/4 NW/4 Section 22

(2)   That the subject waterflood project is hereby designated the Shenandoah Grayburg-Jackson Parke Waterflood Project and shall be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations;

PROVIDED HOWEVER, that the Secretary-Director of the Commission may approve expansion of the above-described waterflood project to include such additional injection wells in the area of said project as may be necessary to complete an efficient water injection pattern; that the showing of well response as required by Rule 701 E-5 shall not be necessary before obtaining

administrative approval for the conversion of additional wells
to water injection.

(3) That monthly progress reports of the waterflood pro-
ject herein authorized shall be submitted to the Commission in
accordance with Rules 704 and 1120 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 herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

BRUCE KING, Chairman

ALEX J. ARMIJO, Member

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

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