

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF THE STATE OF NEW
MEXICO FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 1324
Order No. R-1073-B

APPLICATION OF GRARIDGE CORPORATION
FOR AN ORDER AMENDING ORDER NO. R-1073-A
TO AUTHORIZE CAPACITY ALLOWABLES FOR A
CERTAIN WELL IN THE CAPROCK-QUEEN POOL
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on March 6, 1958, at Santa Fe, New Mexico, before Daniel S. Nutter, Examiner duly appointed by the New Mexico Oil Conservation Commission, hereinafter referred to as the "Commission."

NOW, on this 6th day of March, 1958, the Commission, a quorum being present, having considered the application, the evidence adduced and the recommendations of the Examiner, Daniel S. Nutter, 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, Graridge Corporation, was authorized by Order No. R-1073-A dated November 13, 1957, to produce certain wells in a water flood project in the Caprock-Queen Pool at capacity, one of which is the Malco State "A" Well No. 2, located 1650 feet from the North line and 1650 feet from the East line of Section 31, Township 12 South, Range 32 East, NMPM, Lea County, New Mexico.

(3) That the applicant recently re-entered the said Malco State "A" Well No. 2 and found that the casing in said well has collapsed making it impossible to produce the well.

(4) That the applicant has drilled a substitute well in the same quarter-quarter section, being the Malco State "A" Well No. 9, located 2310 feet from the North line and 1650 feet from the East line of said Section 31.

(5) That the said Malco State "A" Well No. 9 is located in the pilot area of the water flood project authorized by Order No. R-972, dated April 5, 1957.

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(6) That the said pilot water flood project has caused the said Malco State "A" Well No. 9 to be capable of producing in excess of the top unit allowable for the Caprock-Queen Pool.

(7) That the applicant, by this application, seeks permission to produce the said Malco State "A" Well No. 9 at capacity on the grounds that the production from said well cannot be curtailed without causing a reduction in the ultimate recovery of oil.

(8) That the preponderance of the evidence presented in this case indicates that waste will occur if the production from the said Malco State "A" Well No. 9 were curtailed.

(9) That the said Malco State "A" Well No. 9 should be permitted to produce at capacity.

IT IS THEREFORE ORDERED:

(1) That the Graridge Corporation Malco State "A" Well No. 2, located in the SW/4 NE/4 of Section 31, Township 12 South, Range 32 East, NMPM, Lea County, New Mexico, be and the same is hereby deleted from the list of wells authorized to be granted allowables equal to their capacity to produce as set forth in paragraph (1) of Order No. R-1073-A, dated November 13, 1957.

(2) That Order No. R-1073-A, dated November 13, 1957, be and the same is hereby amended to include the Graridge Corporation Malco State "A" Well No. 9, located in the SW/4 NE/4 of said Section 31, in the list of wells authorized by paragraph (1) of said order to be assigned allowables equal to their capacity to produce.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



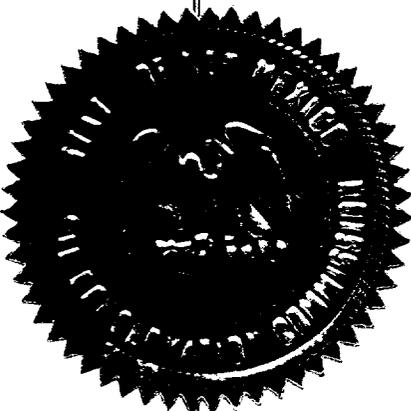
EDWIN L. MECHEM, Chairman



MURRAY E. MORGAN, Member



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



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