

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. 1420
Order No. R-1191-A

APPLICATION OF CAULKINS OIL
COMPANY AND EL PASO NATURAL GAS
PRODUCTS COMPANY FOR AN ORDER
AMENDING IN CERTAIN PARTICULARS
THE SPECIAL RULES GOVERNING THE
SOUTH BLANCO-TOCITO WATER
INJECTION PROJECT IN RIO ARRIBA
COUNTY, NEW MEXICO, AS SET FORTH
IN ORDER R-1191; FOR PERMISSION TO
CONVERT TWO WELLS IN SAID PROJECT
TO WATER INJECTION; FOR PERMISSION
TO DUALY COMPLETE A WELL IN SAID
PROJECT AS A PRODUCING-INJECTION
WELL AND FOR APPROVAL OF AN
UNORTHODOX LOCATION FOR SAID WELL

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on April 8, 1959, at Santa Fe, New Mexico, before E. J. Fischer, 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 21st day of May, 1959, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, E. J. Fischer, 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 Rule 11 of Order No. R-1191 established Special Rules and Regulations governing the operation of the South Blanco-Tocito Water Injection Project in the South Blanco-Tocito Oil Pool in Rio Arriba County, New Mexico, and described the acreage encompassed in said South Blanco-Tocito Water Injection Project, hereinafter referred to as the "Project."

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(3) That the applicants, operators in said Project, seek an amendment of Order No. R-1191 to provide for the inclusion of the following-described acreage in the Project:

TOWNSHIP 26 NORTH, RANGE 6 WEST, NMPM

Section 6: All

Section 7: NE/4

Section 8: S/2 NE/4; NW/4

Rio Arriba County, New Mexico.

(4) That the applicants propose that Order No. R-1191 be amended to establish an administrative procedure whereby the Project area may be extended and new wells included in the Project without notice and hearing.

(5) That the applicants also seek authorization to convert the following-described wells to water injection:

El Paso Rincon Unit Well No. 11, located in the
SE/4 SW/4 of Section 6,

Caulkins Well No. T-123, located in the NW/4
NE/4 of Section 7,

both in Township 26 North, Range 6 West, NMPM, Rio Arriba County, New Mexico.

(6) That applicants further seek permission to deepen the said Caulkins Well No. T-123, and to dually complete it in such a manner as to permit water injection into the Tocito formation through the casing-tubing annulus and gas production from the Dakota formation through tubing.

(7) That the location of the said Caulkins Well No. T-123 at a point 700 feet from the North line and 1800 feet from the East line of said Section 7 is unorthodox for a gas well in the Dakota Producing Interval and applicants seek approval for said unorthodox location.

(8) That permission should be granted for the conversion of the aforesaid El Paso Rincon Unit Well No. 11 to water injection.

(9) That in order to ensure the Dakota reservoir is not damaged, permission to dually complete the aforesaid Caulkins Well No. T-123 in such a manner as to permit the injection of water into the Tocito formation through the casing-tubing annulus and the production of gas from the Dakota formation through the tubing should be denied.

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(10) That permission should be granted, at the operator's option, to either dually complete the said Caulkins Well No. T-123 in such a manner as to permit the production of oil from the Tocito formation and the production of gas from the Dakota formation through parallel strings of tubing, or to utilize said well as a water injection well in the Tocito formation without deepening it to produce from the Dakota formation.

(11) That the unorthodox gas well location of the said Caulkins Well No. T-123 should be approved inasmuch as the operator may choose to dually complete said well in such a manner as to permit the production of oil from the Tocito formation and the production of gas from the Dakota formation.

(12) That the inclusion of the additional acreage in the water injection project, as described in Finding No. 3, and the establishment of an administrative system for future expansion, as described in Finding No. 4, should be provided by an amendment to Rule 11(a) of the South Blanco-Tocito Water Injection Project Area Rules, as set forth in Order No. R-1191.

IT IS THEREFORE ORDERED:

(1) That the applicants be and the same are hereby authorized to convert the El Paso Rincon Unit Well No. 11, located in the SE/4 SW/4 of Section 6, Township 26 North, Range 6 West, NMPM, Rio Arriba County, New Mexico, to water injection.

(2) That permission to deepen the Caulkins Well No. T-123, located 700 feet from the North line and 1800 feet from the East line of Section 7, Township 26 North, Range 6 West, NMPM, Rio Arriba County, New Mexico, in such a manner as to permit the injection of water into the Tocito formation through the casing-tubing annulus and the production of gas from the Dakota formation through tubing be and the same is hereby denied.

(3) That the operator be and the same is hereby authorized to either utilize said Caulkins Well No. T-123 as a water injection well in the Tocito formation without deepening it so as to produce from the Dakota formation or to dually complete said well in such a manner as to permit the production of oil from the Tocito formation and the production of gas from the Dakota formation through parallel strings of tubing.

(4) That an unorthodox gas well location for said Caulkins Well No. T-123 in the Dakota formation be and the same is hereby approved.

IT IS FURTHER ORDERED:

That Rule 11(a) of the South Blanco-Tocito Water Injection Project Rules as set forth in Order No. R-1191, be and the same is hereby amended to read in its entirety as follows:

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(a)-1. The project Area shall comprise that area described as follows:

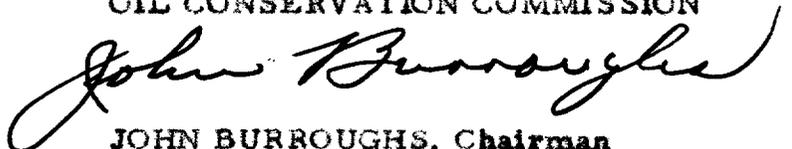
TOWNSHIP 26 NORTH, RANGE 6 WEST, NMPM

Section 3: S/2 SW/4
Section 4: S/2
Section 6: All
Section 7: NE/4
Section 8: N/2
Section 9: N/2 and N/2 S/2
Section 10: NW/4, N/2 SW/4, and SE/4
Section 11: W/2 SW/4

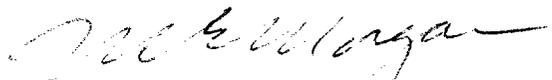
(a)-2. Expansion of the project area to include additional acreage may be approved administratively by the Secretary-Director of the Commission for good cause shown. To obtain such approval, the project operator shall file proper application with the Commission, furnishing copies of said application to all interested parties. "Interested parties" are defined as being working interest owners and royalty owners within the project area and immediately offsetting it. The Secretary-Director may approve the expansion of the project area if, within 20 days after receiving the application, no objection is received from any interested party. The Secretary-Director may grant immediate approval provided waivers of objection are received from all interested parties.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



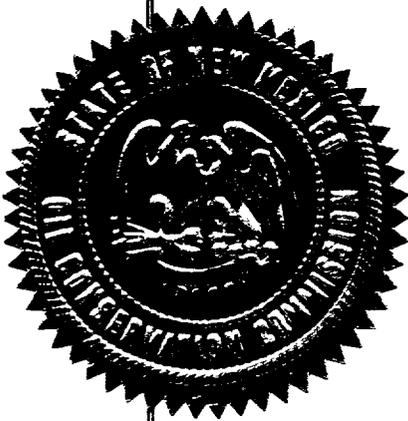
JOHN BURROUGHS, Chairman



MURRAY E. MORGAN, Member



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



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