

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. 1962
Order No. R-1689

APPLICATION OF McGRATH AND SMITH
FOR A SPECIAL ALLOWABLE FOR ONE
WELL IN THE CAPROCK-QUEEN POOL,
LEA AND CHAVES COUNTIES, NEW
MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on May 11, 1960, at Santa Fe, New Mexico, before Daniel S. Nutter, 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 7th day of June, 1960, 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 applicants are the owners and operators of the Tidewater-State Well No. 1, completed in April of 1960 and located in the NW/4 SE/4 of Section 18, Township 13 South, Range 32 East, NMPM, Lea County, New Mexico, at a point 330 feet from the South and East boundaries of an existing capacity waterflood project in the North Central Caprock Queen Unit.
- (3) That the applicants seek a special allowable for the said Tidewater-State Well No. 1 in an amount equal to the present ability of the well to produce, basing this request upon the ground that the offset wells to the North and West, which wells are in the North Central Caprock Waterflood Project, are producing considerably in excess of top unit allowable, and that restricting the production of the subject well to top unit allowable will impair the applicants' correlative rights.
- (4) That the applicants and the protestant agree that

although the applicants' tract is offset by three injection wells, the oil that is currently being produced from the subject well is primary oil and is not coming from the North Central Caprock Queen Unit.

(5) That assuming water is injected into the three injection wells which offset the applicants' tract (Well No. 18-6, Well No. 18-8 and Well No. 18-14), it is only reasonable to infer that higher pressures will exist on the North Central Caprock Queen Unit than on the applicants' tract, and while there may be migration of oil to some degree from applicants' tract toward the two offset producing wells on the Unit, there should be a more than compensating amount of oil migration from the high pressure unit area to the applicants' tract, even though the application is denied.

(6) That an impermeable barrier exists along the East flank of the Caprock-Queen Pool, which barrier will prevent the migration of oil away from the productive limits of said Pool on the East side regardless of the producing rate of the subject well, thus denial of the subject application will not cause waste.

(7) That the operator of the North Central Caprock Queen Unit should make every effort to restore its Well No. 18-8 and Well No. 18-14 to effective water injection immediately, not only in the interest of greater ultimate recovery, but since it is the injection of water into the three wells offsetting the applicants' tract that keeps the pressure in the unit area higher than the pressure on applicants' tract, thereby protecting correlative rights.

(8) That every reasonable effort should be made by all parties concerned to incorporate the subject well into the North Central Caprock Queen Unit, particularly since in order to continue the present water injection pattern the subject well should be converted to injection.

(9) That should conditions warrant it, the Commission would not be adverse to hearing this case again at some future date.

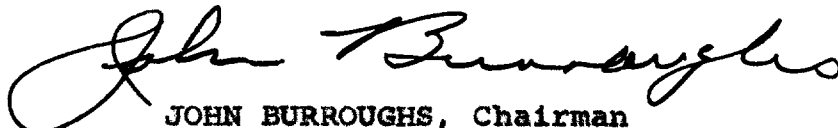
IT IS THEREFORE ORDERED:

That the application of McGrath and Smith for a special allowable for its Tidewater-State Well No. 1, located in the NW/4 SE/4 of Section 18, Township 13 South, Range 32 East, Caprock-Queen Pool, Lea and Chaves Counties, New Mexico, be and the same is hereby denied.


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