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BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION

APPLICATION OF SHELL OIL COMPANY
FOR APPROVAL OF A WATER FLOOD
PROJECT, CHAVEZ COUNTY, NEW MEXICO }

No. 2987

A P P L I C A T I O N

COMES NOW, Shell Oil Company and applies to the New Mexico Oil Conservation Commission for approval of a pilot water flood project, to be instituted in the South Bitter Lake, San Andres Pool, Chavez County, New Mexico, and in support of its application, states:

1. That the Applicant, Shell Oil Company, is the owner and operator of the Shell-Cannon Lease comprising 320 acres more or less, being the Southwest Quarter ($SW\frac{1}{4}$) and the West Half ($W\frac{1}{2}$) of the Southeast Quarter ($SE\frac{1}{4}$) of Section 27, and the Northwest Quarter, Northeast Quarter ($NW\frac{1}{4}$ $NE\frac{1}{4}$) and the Northeast Quarter, Northwest Quarter ($NE\frac{1}{4}$ $NW\frac{1}{4}$) of Section 34, all in Township 10 South, Range 25 East, Chavez County, New Mexico.

2. That said lease is presently developed by four producing wells in the South Bitter Lake, San Andres Pool, located in Units, J. K. L. and M. of Section 27. Shell Oil Company proposes to drill four additional producing wells in connection with the water flood project, which wells will be located at standard locations in Units N. and O. of said Section 27, and in Units B. and C. of said Section 34. In

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addition, Shell Oil Company proposes to drill three injection wells at unorthodox locations, for which approval also is sought in this application, as follows:

(a) 1315 feet from the south line and 2635 feet from the east line of said Section 27;

(b) 1315 feet from the south line and 1325 feet from the west line of said Section 27;

(c) 5 feet from the north line and 2635 feet from the east line of said Section 34;

the location of the existing wells and of the proposed wells is shown on the plat attached to this application and incorporated herein by reference.

3. That Shell Oil Company proposes to inject water through the three above described injection wells into the San Andres formation of the South Bitter Lake, San Andres Pool, and to produce oil from said pool through the eight producing wells on the Cannon Lease, four of which are presently in existence and four of which are to be drilled, as described above.

4. That all wells in the South Bitter Lake, San Andres Pool, and the four producing wells on the Cannon Lease, which are proposed as producing wells in the subject water flood project, are in an advanced state of depletion and are properly to be considered as "stripper" wells.

5. That approval of the subject application will prevent waste and protect correlative rights.

WHEREFORE, the Applicant, Shell Oil Company, requests that this application be set for hearing before the Commission or one

of its examiners and that the Commission enter its Order approving the proposed water flood project.

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