

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. 2987
Order No. R-2658

APPLICATION OF SHELL OIL COMPANY
FOR A WATERFLOOD PROJECT, CHAVES
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on February 5, 1964, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 4th day of March, 1964, 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 subject matter thereof.
- (2) That the applicant, Shell Oil Company, seeks authority to institute a waterflood project in the South Bitter Lake-San Andres Pool by the injection of water into the San Andres formation through three wells at unorthodox locations on its Cannon Lease in sections 27 and 34, Township 10 South, Range 25 East, NMPM, Chaves County, New Mexico.
- (3) That the wells in the project area are in an advanced state of depletion and should properly be classified as "stripper" wells.
- (4) That the proposed waterflood project is in the interest of conservation and should result in recovery of otherwise unrecoverable oil, thereby preventing waste.
- (5) That the subject application should be approved and the project should be governed by the provisions of Rule 701 of the Commission Rules and Regulations.

IT IS THEREFORE ORDERED:

(1) That the applicant, Shell Oil Company, is hereby authorized to institute a waterflood project in the South Bitter Lake-San Andres Pool by the injection of water into the San Andres formation through three wells to be drilled at the following-described unorthodox locations on its Cannon Lease in Township 10 South, Range 25 East, NMPM, Chaves County, New Mexico:

SECTION 27

1315 feet from the South line and 2635 feet
from the East line

1315 feet from the South line and 1325 feet
from the West line

SECTION 34

5 feet from the North line and 2635 feet
from the East line

(2) That the subject waterflood project shall be governed by the provisions of Rule 701 of the Commission Rules and Regulations, including the allowable provisions thereof, and including the provisions with respect to expansion of the waterflood project.

(3) That monthly progress reports of the waterflood project herein authorized shall be submitted to the Commission in accordance with Rules 704 and 1119 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 hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


JACK M. CAMPBELL, Chairman


E. S. WALKER, Member


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

