

DOCKET: EXAMINER HEARING - WEDNESDAY - JULY 10, 1968

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Elvis A. Utz, Examiner, or A. L. Porter, Jr., Alternate Examiner:

- CASE 3800: Application of Depco, Inc. for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the San Andres and possibly other formations in its State 647 Well No. 82 located in Unit F of Section 27, Township 18 South, Range 28 East, Artesia Pool, Eddy County, New Mexico, in the open-hole interval from 2421 feet to 2926 feet.
- CASE 3801: Application of H & S Oil Company for an amendment to Order No. R-3357, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-3357, which authorized a waterflood project in the West Artesia Grayburg Unit Area, Artesia Pool, Eddy County, New Mexico, to delete the water injection wells previously authorized in Units H and P of Section 7, Units D, F, H, J, and L of Section 8, and Unit D of Section 17, and to authorize for water injection certain wells in Unit I of Section 7 and Units C, E, G, K, and M, of Section 8, all in Township 18 South, Range 28 East.
- CASE 3802: Application of Atlantic Richfield Company for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the West Red Lake Unit Area comprising 1,237 acres, more or less, of Federal and Fee lands in Township 18 South, Range 27 East, Red Lake Queen-Grayburg-San Andres Pool, Eddy County, New Mexico.
- CASE 3803: Application of Gulf Oil Corporation for an amendment to Order No. R-3345, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-3345, which authorized a waterflood project in its Stuart Langlie Mattix Unit Area, Langlie-Mattix Pool, Lea County, New Mexico, to delete the water injection wells previously authorized in Unit M of Section 2, Units A, C, & I of Section 10, and Unit C of Section 11, all in Township 25 South, Range 37 East, and to authorize for water injection four wells at the following unorthodox locations in Section 10: a well 100' from the North line and 1650' from the West line; a well 100' from the North line and 660' from the East line; a well 1315' from the North line and 100' from the West line; and a well 1420' from the South line and 100' from the East line.

July 10, 1968

Docket No. 20-68 - Examiner Hearing

CASE 3804: Application of Pan American Petroleum Corporation for a pressure maintenance project, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pressure maintenance project by the injection of water into the San Andres formation through two wells located in Units K and M of Section 29, Township 8 South, Range 35 East, Milnesand-San Andres Pool, Roosevelt County, New Mexico. Applicant further seeks the designation of a project area and the promulgation of rules governing said project, and the reclassification of the well in Unit M of Section 29 from a salt water disposal well to a pressure maintenance project injection well.

CASE 3805: Application of Benson-Montin-Greer Drilling Corporation and Lloyd B. Taylor for Pressure Interference Tests and Back Allowable, San Juan County, New Mexico. Applicants, in the above-styled cause, seek authority to extend for an additional 60-day period from July 8, 1968, the shut-in test period authorized for one well in the La Plata Gallup Oil Pool, San Juan County, New Mexico, by Commission Order No. R-3399 and to also extend the back allowable make-up period for said well. Applicants further seek authority to drill three additional La Plata oil wells in Section 6 of Township 31 North, Range 13 West, and Sections 31 and 32, Township 32 North, Range 13 West, and to shut said wells in immediately after recovery of load oil and the establishment of initial potentials, for a period of up to 180 days for the purpose of conducting pressure interference tests, and to make-up the production lost during said test period at a later date. Applicants further seek a provision for administrative extension of the shut-in test period and the make-up period.



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON 25, D. C.

Exhibit 5

FEB 17 1967

Atlantic Richfield Company
P. O. Box 1978
Roswell, New Mexico 88201

Attention: Mr. R. L. Trimble

Gentlemen:

<p>BEFORE EXAMINER UTZ OIL CONSERVATION COMMISSION <i>April</i> EXHIBIT NO. <u>5</u> CASE NO. <u>3852</u></p>

Your application of November 30 filed with the Regional Oil and Gas Supervisor, Roswell, New Mexico, requests the designation of the West Red Lake unit area embracing 1,236.85 acres, more or less, Eddy County, New Mexico, as logically subject to exploration and development under the unitization provisions of the Mineral Leasing Act, as amended.

Unitization for the purpose of conducting secondary recovery operations by waterflooding will be limited to the interval in the Premier and San Andres identified in Section 2(f) of the proposed unit agreement form. The unit area is comprised of 915.71 acres of Federal land and 321.14 acres of fee land on which there are 30 productive wells completed in the interval to be unitized. Participation in unitized substances is based on one-third surface acres, one-third current producing rate, and one-third ultimate primary recovery. You estimate the proposed waterflood project will result in recovery of 400,000 to 600,000 barrels of oil over and above that recoverable by primary methods.

The land outlined on the plat marked "Exhibit A, West Red Lake Unit, Eddy County, New Mexico," is acceptable as a logical unit area for secondary recovery operations. The proposed form of unit agreement, which modifies the standard Federal form (1961 reprint) to the extent necessary to cover conditions incidental to secondary operations of a producing unit, will be acceptable if further modified as marked in colored pencil and/or by the attached riders. One copy of the marked form is returned herewith and the remaining copies are retained for distribution to the appropriate offices of the Geological Survey.

In the absence of any other type of land requiring special provisions or any other objections not now apparent, a duly executed agreement conformed to the marked copy will be approved if submitted in approvable status within a reasonable period of time. However, the right is reserved to deny approval of any executed agreement which, in our opinion, does not have full commitment of sufficient lands to afford effective control of secondary recovery operations.

Please include the latest status of all acreage when the executed agreement is submitted for final approval.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Robert M. Johnson".

Acting Director