



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
P. O. BOX 2088 - SANTA FE
87501

GOVERNOR
BRUCE KING
CHAIRMAN

LAND COMMISSIONER
ALEX J. ARMJO
MEMBER

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

July 16, 1973

Re: Case No. 5013

Order No. R-4591

Applicant:

Phillips Petroleum Co.

Mr. Jason Kellahin
Kellahin & Fox
Attorneys at Law
Post Office Box 1769
Santa Fe, New Mexico

Dear Sir:

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC x

Artesia OCC

Aztec OCC

Other State Engineer Office

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. 5013
Order No. R-4591

APPLICATION OF PHILLIPS PETROLEUM
COMPANY FOR A WATERFLOOD PROJECT,
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on June 27, 1973, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 13th day of July, 1973, 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, Phillips Petroleum Company, seeks authority to institute a waterflood project on its Lea Lease, Vacuum Grayburg-San Andres Pool, by the injection of water into the Grayburg-San Andres formation through its Lea Wells Nos. 4 and 6 located in Units I and O, respectively, of Section 29, Township 17 South, Range 34 East, NMPM, Lea County, New Mexico.
- (3) That applicant proposes the injection of water through internally plastic-coated tubing set in a packer with the annulus filled with an inert fluid and a pressure gauge at the surface.
- (4) That the wells in the project area are in an advanced state of depletion and should properly be classified as "stripper" wells.
- (5) That the proposed waterflood project should result in the recovery of otherwise unrecoverable oil, thereby preventing waste.

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(6) That the subject application should be approved and the project should be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

(7) That the applicant further seeks the establishment of an administrative procedure whereby additional producing and injection wells could be drilled at orthodox and unorthodox locations within the boundaries of the Lea Cooperative Waterflood Project in Section 29, Township 17 South, Range 34 East, NMPM, without notice and hearing.

(8) That approval of such an administrative procedure will not cause waste nor impair correlative rights provided no unorthodox location nearer than 330 feet to the outer boundary of the unit area is approved without notice and hearing.

IT IS THEREFORE ORDERED:

(1) That the applicant, Phillips Petroleum Company, is hereby authorized to institute a waterflood project on its Lea Lease, Vacuum Grayburg-San Andres Pool, by the injection of water into the Grayburg-San Andres formation through the following-described wells in Section 29, Township 17 South, Range 34 East, NMPM, Lea County, New Mexico:

Lea Well No. 4, Unit I
Lea Well No. 6, Unit O

(2) That in each well water shall be injected through internally plastic-coated tubing; the annulus shall be filled with inert fluid and a pressure gauge shall be installed at the surface.

(3) That the subject waterflood project is hereby designated the Lea Cooperative Waterflood Project and shall be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

(4) That monthly progress reports of the waterflood project herein authorized shall be submitted to the Commission in accordance with Rules 704 and 1120 of the Commission Rules and Regulations.

(5) That the Secretary-Director of the Commission may approve such additional producing and injection wells at orthodox and unorthodox locations within the Lea Cooperative Waterflood Project in Section 29, Township 17 South, Range 34 East, NMPM, as may be necessary to complete an efficient production and injection pattern, provided said wells are drilled no closer than 330 feet to the outer boundary of the Lea Lease nor closer than

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ten feet to any quarter-quarter section or subdivision inner boundary, and provided that the application therefor has been filed in accordance with the provisions of Rule 701-B of the Commission Rules and Regulations.

(6) 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



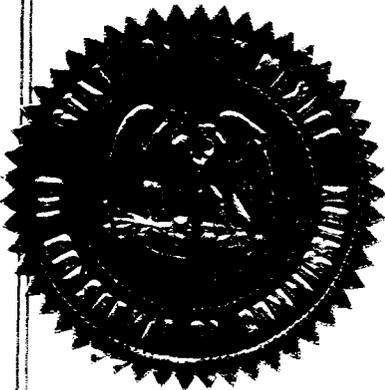
I. R. TRUJILLO, Chairman



ALEX J. ARMIJO, Member



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



S E A L