

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. 2421
Order No. R-2133

APPLICATION OF TEXACO INC. FOR
APPROVAL OF THE NORTHEAST CAPROCK
QUEEN UNIT AGREEMENT AND FOR AN
ORDER AUTHORIZING A WATERFLOOD
PROJECT IN THE CAPROCK (QUEEN)
POOL, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on November 29, 1961, at Santa Fe, New Mexico, before Daniel S. Mutter, 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 13th day of December, 1961, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Daniel S. Mutter, 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, Texaco Inc., seeks approval of its proposed Northeast Caprock Queen Unit Agreement with the unit area comprising 1,360 acres, more or less, in Township 12 South, Range 32 East, NMPM, Lea County, New Mexico.

(3) That the applicant proposes to institute a unit-wide waterflood project in the Caprock (Queen) Pool on said Northeast Caprock Queen Unit by the injection of water into the Queen formation through the following-described wells:

Amerada State "NCA" Well No. 1, Unit P of Section 16;
Amerada State "NCB" Well No. 1, Unit D of Section 21;
Great Western Ella M. Speed Well No. 3, Unit L of
Section 15;
Great Western Magnolia-Speed Well No. 1, Unit P of
Section 15;
Mobil State "D" Well No. 1, Unit D of Section 23;

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Skelly State "S" Well No. 2, Unit F of Section 23;
Sinclair Federal Well No. 1, Unit D of Section 22;
Sunray & TSI State "B" Well No. 2, Unit J of Section 16;
Sunray & TSI State "B" Well No. 4, Unit L of Section 16;
Sunray & TSI State "C" Well No. 1, Unit N of Section 16;
Sunray & TSI State "D" Well No. 3, Unit F of Section 21;
Superior W. C. Speed Well No. 2, Unit N of Section 14;
Texaco State "BA" NCT-6 Well No. 1, Unit B of Section 20;
Texaco State "BA" NCT-7 Well No. 1, Unit H of Section 20;
Texaco Douthitt Well No. 1, Unit L of Section 21;
Texaco State "BA" NCT-8 Well No. 2, Unit B of Section 22;
Texaco State "BA" NCT-8 Well No. 3, Unit H of Section 22;
Trigg Federal "S" Well No. 1, Unit B of Section 21; and
a well to be drilled in Unit P of Section 17;

all in Township 12 South, Range 32 East, NMPM, Lea County, New Mexico.

(4) That approval of the proposed Northeast Caprock Queen Unit Agreement will in principle tend to promote the conservation of oil and gas and the prevention of waste.

(5) That all of the producing wells in the unit have reached an advanced state of depletion and are properly classified as "stripper" wells.

(6) That the proposed waterflood project should be authorized and the operation thereof should be governed by the provisions of Rule 701 of the Commission Rules and Regulations.

IT IS THEREFORE ORDERED:

(1) That the Northeast Caprock Queen Unit Agreement is hereby approved.

(2) That the Plan under which the unit area shall be operated shall be embraced in the form of a unit agreement for the development and operation of the Northeast Caprock Queen Unit Area and such plan shall be known as the Northeast Caprock Queen Unit Agreement Plan.

(3) That the Northeast Caprock Queen Unit Agreement Plan is hereby approved in principle as a proper conservation measure; provided, however, that notwithstanding any of the provisions contained in said unit agreement, this approval shall not be considered as waiving or relinquishing, in any manner, any right, duty or obligation which is now, or may hereafter be, vested in the Oil Conservation Commission of New Mexico relative to the supervision and control of operations for the exploration and development of any lands committed to the said Northeast Caprock Queen Unit, or relative to the production of oil and gas therefrom.

- (4) (a) That the unit area shall be:

NEW MEXICO PRINCIPAL MERIDIAN

TOWNSHIP 12 SOUTH, RANGE 32 EAST

Section 14: S/2 SW/4
Section 15: S/2 SE/4, NW/4 SW/4
Section 16: S/2
Section 17: SE/4 SE/4
Section 20: NE/4
Section 21: NW/4, N/2 NE/4, NW/4 SW/4
Section 22: N/2 N/2, SE/4 NE/4
Section 23: NW/4

comprising 1,360 acres, more or less.

(b) That the unit may be enlarged or contracted as provided in said Plan; provided, however, that administrative approval for expansion or contraction of the unit area must also be obtained from the Secretary-Director of the Oil Conservation Commission.

(5) That the unit operator shall file with the Commission an executed original or executed counterpart of the Northeast Caprock Queen Unit Agreement within 30 days after the effective date thereof. In the event of subsequent joinder by any party or expansion of the unit area, the unit operator shall file with the Commission within 30 days of such action counterparts of the unit agreement reflecting the subscription of those interests having joined or ratified.

(6) That the portion of this order relating to the approval of the Northeast Caprock Queen Unit Agreement shall become effective upon the approval of said unit agreement by the Commissioner of Public Lands for the State of New Mexico and the Director of the United States Geological Survey and shall terminate ipso facto upon the termination of said unit agreement. The last unit operator shall notify the Commission immediately in writing of such termination.

(7) That the applicant is hereby authorized to institute a unit-wide waterflood project in the Caprock (Queen) Pool, Lea County, New Mexico, by the injection of water into the Queen formation through the following-described wells:

Amerada State "NCA" Well No. 1, Unit P of Section 16;
Amerada State "NCB" Well No. 1, Unit D of Section 21;
Great Western Ella N. Speed Well No. 3, Unit L of
Section 15;
Great Western Magnolia-Speed Well No. 1, Unit P of
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a well to be drilled in Unit P of Section 17;

all in Township 12 South, Range 32 East, NMPM, Lea County, New Mexico.

(8) That the operation of the unit-wide waterflood project shall be governed by the provisions of Rule 701 of the Commission Rules and Regulations.

(9) 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.

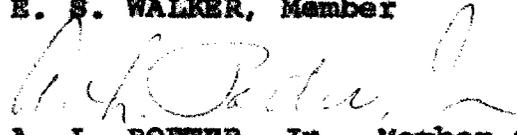
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



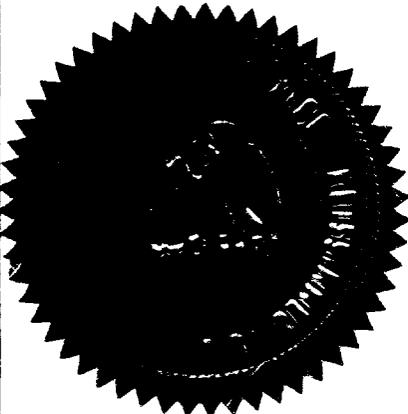
EDWIN L. MECHEM, Chairman



E. S. WALKER, Member



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



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