

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. 2702  
Order No. R-2384

APPLICATION OF CONTINENTAL OIL  
COMPANY FOR APPROVAL OF THE CAVE  
POOL UNIT AGREEMENT, EDDY COUNTY,  
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on November 20, 1962, at Santa Fe, New Mexico, before Elvis A. Utz, 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 5th day of December, 1962, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, 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, Continental Oil Company, seeks approval of the Cave Pool Unit Agreement covering 1,960 acres, more or less, of Federal and State lands in portions of Townships 16 and 17 South, Range 29 East, NMPM, Eddy County, New Mexico.

(3) That approval of the proposed Cave Pool Unit Agreement will in principle tend to promote the conservation of oil and gas and the prevention of waste.

IT IS THEREFORE ORDERED:

(1) That the Cave Pool 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 Cave Pool Unit Area, and such plan shall be known as the Cave Pool Unit Agreement Plan.

(3) That the Cave Pool 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 by law relative to the supervision and control of operations for the exploration and development of any lands committed to the Cave Pool Unit, or relative to the production of oil or gas therefrom.

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

NEW MEXICO PRINCIPAL MERIDIAN

EDDY COUNTY, NEW MEXICO  
TOWNSHIP 16 SOUTH, RANGE 29 EAST  
Section 33: S/2 SE/4

TOWNSHIP 17 SOUTH, RANGE 29 EAST  
Section 3: SW/4 NW/4  
Section 4: All  
Section 5: E/2, E/2 SW/4, SE/4 NW/4  
Section 7: N/2 NE/4  
Section 8: N/2, N/2 SW/4, SE/4 SW/4,  
NW/4 SE/4  
Section 9: NW/4 NW/4, N/2 NE/4, SE/4 NE/4,  
NE/4 SE/4

containing 1,960 acres, more or less.

(b) That the unit area 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 Commission.

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

(6) That this order 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.

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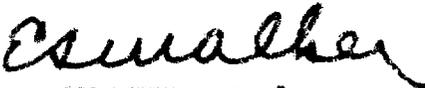
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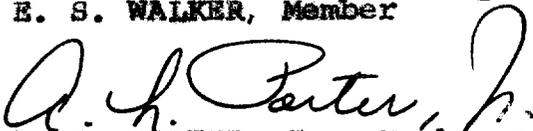
(7) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

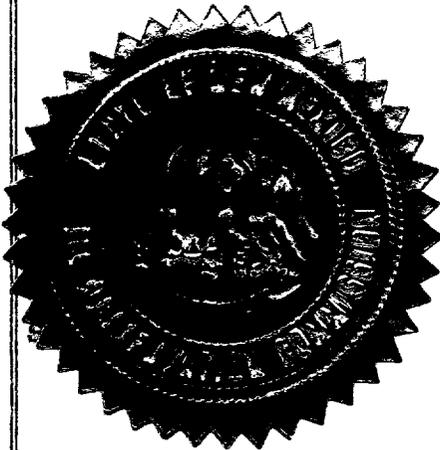
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

  
TOM BOLACK, Chairman

  
E. S. WALKER, Member

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





**LTR**



**Job separation sheet**

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE  
STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF CONTINENTAL OIL COMPANY FOR APPROVAL OF THE CAVE POOL UNIT AGREEMENT EMBRACING 1959.78 ACRES, MORE OR LESS, LOCATED IN TOWNSHIPS 16 AND 17 SOUTH, RANGE 29 EAST, N.M.P.M., EDDY COUNTY, NEW MEXICO, FOR PERMISSION TO INSTALL AND OPERATE A WATERFLOOD WITHIN THE BOUNDARIES OF SAID UNIT AREA: AND FURTHER, FOR PERMISSION TO PRODUCE THE UNIT WELLS INTO A CENTRAL TANK BATTERY

*Case 2702*

A P P L I C A T I O N

Comes now Applicant, Continental Oil Company, and respectfully requests approval of the Cave Pool Unit Agreement, permission to install and operate a waterflood within said Unit, and permission to produce the Unit wells into a central tank battery. The Cave Pool Unit Agreement embraces the following described acreage:

New Mexico Prime Meridian -

Township 16 South, Range 29 East -

Section 33: S/2 SE/4

Township 17 South, Range 29 East -

Section 3: SW/4 NW/4  
Section 4: All  
Section 5: E/2, E/2 SW/4 and SE/4 NW/4  
Section 7: N/2 NE/4  
Section 8: N/2, N/2 SW/4, SE/4 SW/4 and NW/4 SE/4  
Section 9: NW/4 NW/4, N/2 NE/4, SE/4 NE/4 and  
NE/4 SE/4

containing 1959.78 acres, more or less, in Eddy County, New Mexico, and in support thereof Applicant would show:

1. That the Cave Pool Unit Agreement is attached hereto and marked Exhibit I.
2. That approval of the Cave Pool Unit Agreement has been received from the United States Geological Survey, and the State Land Office.

3. That the attached lease plat marked Exhibit II shows the Cave Pool Unit and surrounding area.

4. That production in the Cave Pool is at an advanced stage of depletion and that recovery by primary methods is at or near the economic limit.

5. That engineering investigations indicate that waterflooding the Cave Pool will be physically and economically feasible.

6. That all operators of producing properties in the Cave Pool have been given an opportunity to participate in the Cave Pool Unit.

7. That agreement between the operators in the Cave Pool has proceeded to the extent that a logical and systematic secondary recovery operation is assured.

8. That the formation to be unitized and waterflooded is the Premier sand section of the Grayburg formation which is specifically indicated on the Radioactivity logs of the Continental Oil Company State P-5 No. 1 and U-5 No. 1 wells attached hereto and marked Exhibit IIIa and IIIb, respectively.

9. That all proposed injection wells are or will be completed in such a manner that injected water will be confined to the Premier sand. The present status of all proposed injection wells is shown on the tabulation of injection well data attached hereto and marked Exhibit IV.

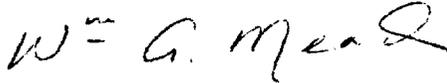
10. That Applicant proposes to inject a maximum of approximately 4,000 barrels of water per day into the 26 proposed injection wells on an 80 acre five-spot pattern. A maximum of approximately 3,000 barrels per day of said water will be purchased from an outside source. The remainder of water injected will be water produced from the Unit's producing wells.

11. That the producing operations can be carried on more efficiently if all Unit wells are produced into a central tank battery.

12. That the proposed unitization and secondary recovery will result in the recovery of hydrocarbons which would not be recovered by primary methods and is therefore in the interest of conservation and prevention of waste.

Wherefore, Applicant respectfully requests that this matter be set for hearing before the Commission's duly qualified Examiner and that upon hearing an order be entered approving the Cave Pool Unit Agreement, granting permission to install and operate a waterflood within the Unit Area and permitting the production of the Unit wells into a central tank battery as described herein above.

Respectfully submitted,

A handwritten signature in cursive script that reads "W. A. Mead".

Wm. A. Mead  
Division Superintendent  
of Production  
New Mexico Division

VTL-sg