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State of New Mexico Oil Conservation Commission

LAND COMMISSIONER
E. S. JOHNNY WALKER
MEMBER

P. O. BOX 871
SANTA FE

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

and when all of the proposed wells have been drilled or re-entered and placed on production, and assuming the Delhi State lease of the Chambers & Kennedy & Co. only State lease shall be a part of the project.

Mr. Fred Watson
Watson & Watson
Attorneys at Law
Post Office Drawer E
Artesia, New Mexico

Gentlemen:

Enclosed herewith is Commission Order No. R-2461, entered in Case No. 2775, approving the Cinco Capitan et al Red Lake Water Flood Project.

According to our calculations, when all of the authorized injection wells have been placed on active injection, the maximum allowable which this project will be eligible to receive under the provisions of Rule 701-E-3 is 952 barrels per day. *Provided however, that unless otherwise agreed to by all parties and evidence thereof furnished the Commission,*

Please report any error in this calculated maximum allowable immediately, both to the Santa Fe office of the Commission and the appropriate District proration office.

In order that the allowable assigned to the project may be kept current, and in order that the operator may fully benefit from the allowable provisions of Rule 701, it behooves him to promptly notify both of the aforementioned Commission offices by letter of any change in the status of wells in the project area, i.e., when active injection commences, when additional injection or producing wells are drilled, when additional wells are acquired through purchase or unitization, when wells have received a response to water injection, etc.

Your cooperation in keeping the Commission so informed as to the status of the project and the wells therein will be appreciated.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

the transfer of allowables within the project area of this waterflood shall be authorized only insofar as the transfer is made between owners having common ownership.

NEIL B. WATSON
FRED A. WATSON

LAW OFFICES
WATSON & WATSON
CARPER BUILDING - P. O. DRAWER E
ARTESIA, NEW MEXICO

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TELEPHONE
SHERWOOD 6-4151

February 26, 1963

The Oil Conservation Commission
of the State of New Mexico,
Santa Fe, New Mexico.

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Gentlemen:

Re: Proposed water flood project by Cima Capitan,
Incorporated (N.S.L.), a New Mexico corporation,
Red Lake Oil Company, a partnership, and Castle
& Wigzell in Section 22 and the N $\frac{1}{2}$ N $\frac{1}{2}$ of Section
27, Township 17 South, Range 28 East, N.M.P.M.,
Eddy County, New Mexico.

Will you please schedule a hearing for the above described proposed water flood project just as soon as the same may be conveniently scheduled. I would also appreciate your furnishing me a case number for such hearing.

A properly executed Application and exhibits will follow in the near future.

Yours very truly,

Fred A. Watson
Fred A. Watson

FAW:rjb

cc: Cima Capitan, Incorporated (N.S.L.),
P. O. Box 1343,
Artesia, New Mexico.

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DOCKET MAILED

Date 3/8/63

PK

NEIL B. WATSON
FRED A. WATSON

LAW OFFICES
WATSON & WATSON
CARPER BUILDING - P. O. DRAWER E
ARTESIA, NEW MEXICO

TELEPHONE
SHERWOOD 6-4151

March 14, 1963

Oil Conservation Commission of the
State of New Mexico,
State Land Office Building,
Santa Fe, New Mexico.

Gentlemen:

Re: Case No. 2775, Application of Cima Capitan,
Incorporated (N.S.L.) for a water flood project
in the Red Lake Field.

I herewith enclose, in triplicate, the Application in the caption.

The exhibits will be furnished at the hearing in a number of copies
on March 20, 1963.

Yours very truly,


Fred A. Watson

FAW:rjb
Encs.

cc: Red Lake Oil Company,
Booker Building,
Artesia, New Mexico.

Castle & Wigzell,
P. O. Box 868,
Midland, Texas.

Cima Capitan, Incorporated (N.S.L.),
P. O. Box 1343,
Artesia, New Mexico.

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

April 2, 1963

Mr. Fred Watson
Watson & Watson
Attorneys at Law
Post Office Drawer E
Artesia, New Mexico

Dear Sir:

Enclosed herewith is Commission Order No. R-2461, entered in Case No. 2775, approving the Cima Capitan et al Red Lake Waterflood Project.

According to our calculations, when all of the authorized injection wells have been placed on active injection, and when all of the proposed wells have been drilled or re-entered and placed on production, and assuming the Kersey & Co. Delhi State Lease and the Chambers & Kennedy Gulf State Lease to both be a part of the project, the maximum allowable which this project will be eligible to receive under the provisions of Rule 701-E-3 is 952 barrels per day. Provided however, that unless otherwise agreed to by all parties and evidence thereof furnished the Commission, the transfer of allowables within the project area of this waterflood shall be authorized only insofar as the transfer is made between wells having common ownership.

Please report any error in this calculated maximum allowable immediately, both to the Santa Fe office of the Commission and the appropriate district proration office.

In order that the allowable assigned to the project may be kept current, and in order that the operator may fully benefit from the allowable provisions of Rule 701, it behooves him to

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OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

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promptly notify both of the aforementioned Commission offices by letter of any change in the status of wells in the project area, i.e., when active injection commences, when additional injection or producing wells are drilled, when additional wells are acquired through purchase or unitization, when wells have received a response to water injection, etc.

Your cooperation in keeping the Commission so informed as to the status of the project and the wells therein will be appreciated.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/ir
Enclosure (1)

cc: Oil Conservation Commission
Drawer DD
Artesia, New Mexico

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OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

Case File

May 8, 1963

Cima Capitan, Inc.
P. O. Drawer 1343
Artesia, New Mexico

Attention: Mr. Tom Welch

Gentlemen:

This is to advise that the Oil Conservation Commission has this date approved an option of two alternative methods of completing the injection wells for the water flood project authorized by Order No. R-2461 on April 1, 1963, for Cima Capitan, Castle and Wigzell and Red Lake Oil Company in the Red Lake Pool, Eddy County, New Mexico.

The alternative casing programs are in exception to the programs proposed in the hearing of Case No. 2775 and are as follows:

Option No. 1 - Set 4½ inch casing approximately 200 feet above the top of the Premier Zone of the Grayburg formation and circulate cement to the surface; injection to be down plastic coated tubing under a packer.

Option No. 2 - Perforate the 6 5/8 inch production casing at a point not more than 300 feet above the top of the Premier Zone of the Grayburg formation and circulate cement to the surface; injection to be down plastic coated tubing under a packer.

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SANTA FE, NEW MEXICO

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These alternative methods of completion are approved as a result of a conference on this date between Mr. Tom Welch and Mr. Frank Irby of the State Engineer Office, Mr. Elvis A. Utz and Mr. Daniel S. Nutter of the Oil Conservation Commission.

Very truly yours,

A. L. PORTER, Jr.,
Secretary-Director

ALP/DSM/og

cc: Mr. Mose Armstrong
Drawer DD
Artesia, New Mexico

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