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State of New Mexico  
Oil Conservation Commission

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A. L. PORTER, JR.  
SECRETARY - DIRECTOR

P. O. BOX 2088  
SANTA FE

December 3, 1965

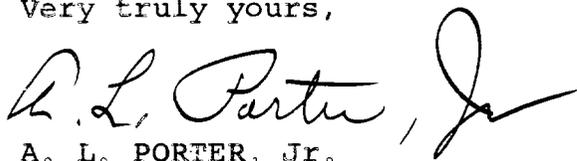
Mr. Charles White  
White, Gilbert, Koch & Kelly  
Attorneys at Law  
Post Office Box 787  
Santa Fe, New Mexico

Re: Case No. 3342  
3343  
Order No. R-3012 & R-3013  
Applicant:  
Sunray DX Oil Company

Dear Sir:

Enclosed herewith is a copy of the above-referenced Commission order recently entered in the subject case. Letter pertaining to conditions of approval and maximum allowable to follow.

Very truly yours,

  
A. L. PORTER, Jr.  
Secretary-Director

ALP/ir

Carbon copy of order also sent to:

Hobbs OCC x  
Artesia OCC x  
Aztec OCC \_\_\_\_\_

Other Mr. Frank Irby



OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO

May 3, 1966

C  
O  
P  
Y  
  
Sunray DX Oil Company  
P. O. Box 1416  
Roswell, New Mexico

Attention: Mr. John Hastings

Gentlemen:

Reference is made to your Metex Waterflood Project on your Dodd "A" and Dodd "B" Leases and to your Keeley Waterflood Project on your Dodd "A" Lease which were authorized by Commission Orders Nos. R-3013 and R-3012, respectively.

We recently received the plat of the leases showing the interval in which each of the wells in the two flood areas is completed. From this we have calculated the maximum allowables for the projects.

As far as we can tell, when all of the wells in each of the two projects are placed on active water injection, and assuming no change in the perforated or open-hole interval of any well, the Dodd "A" Lease in the Metex project will have a maximum allowable of 252 barrels per day while the Dodd "B" Lease in this project will have a maximum of 210 barrels per day. The Dodd "A" Lease in the Keeley project will have a maximum allowable of 294 barrels per day. If wells are drilled in the SW/4 NW/4 and the NE/4 SW/4 of Section 14, as indicated by the well location symbols on your plat, the Dodd "B" Lease allowable maximum in the Metex project would be increased by 84 barrels per day, and if a well is drilled in the SE/4 SW/4 of Section 14, the Dodd "A" allowable for the Metex project would be increased by 42 barrels per day.

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO

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May 3, 1966

Sunray DX Oil Company  
Roswell, New Mexico

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

O In order that the allowable assigned to each lease and to each 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 areas, 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.

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

Very truly yours,

A. L. PORTER, Jr.  
Secretary-Director

Y  
ALP/DEN/esr

cc: Oil Conservation Commission  
Drawer DD  
Artesia, New Mexico  
(With copy of plat)

Mr. Frank Irby  
State Engineer Office  
Capitol Building  
Santa Fe, New Mexico

November 17, 1965

New Mexico Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico

Gentlemen:

This letter is to advise that General American Oil Company of Texas is fully aware of Sunray's plans to flood the Keely zone in Section 22, Township 17 South, Range 29 East, Eddy County, New Mexico.

General American intends to cooperate along the line by the conversion of its Burch C No. 1 located 855 feet from West line and 2400' from North line of Section 23, Township 17 South, Range 29 East, Eddy County, New Mexico.

General American will convert its well to injection and furnish its own pressured water from a plant already located in the Northeast quarter of Section 26.

General American verifies the Flood Plan submitted as being correct in as far as it shows General American's Burch C No. 1 to be converted to water injection.

A lease line agreement between Sunray and General American is currently in the process of being executed.

General American's Burch C No. 1 has 5 1/2" 14# casing set at 3237'. Water injection will be down 2" EUE tubing with a tension packer set at approximately 3200'. The conversion of Burch C No. 1 to water injection will fit General American's ultimate flood plan for flooding its entire Keely section.

Very truly yours,

GENERAL AMERICAN OIL COMPANY OF TEXAS

*R. J. Heard*  
R. J. Heard  
District Superintendent

RJH/rlc

BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
<i>J. L. Nutter</i> EXHIBIT NO. <i>3</i>
CASE NO. <i>33-12-4</i>