

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. 3459
Order No. R-3129

APPLICATION OF PENNZOIL 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 September 28, 1966, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 4th day of October, 1966, 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, Pennzoil Company, seeks permission to institute a waterflood project in the Maljamar (Grayburg-San Andres) Pool by the injection of water into the Grayburg-San Andres formation through eight injection wells in Sections 28 and 33, Township 17 South, Range 33 East, NMPM, Lea County, New Mexico.
- (3) That the wells in the project area are in an advanced state of depletion and should properly be classified as "stripper" wells.
- (4) That the proposed waterflood project should result in the recovery of otherwise unrecoverable oil, thereby preventing waste.

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(5) That the applicant further seeks the establishment of an administrative procedure whereby additional wells and leases operated by the applicant could be included in the waterflood project area.

(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.

IT IS THEREFORE ORDERED:

(1) That the applicant, Pennzoil Company, is hereby authorized to institute a waterflood project in the Maljamar (Grayburg-San Andres) Pool by the injection of water into the Grayburg-San Andres formation through the following-described wells in Township 17 South, Range 33 East, NMPM, Lea County, New Mexico:

Phillips Federal Well No. 2Y, located 330 feet from the North line and 1650 feet from the East line of Section 33

Phillips Federal Well No. 3, located 1980 feet from the North line and 660 feet from the East line of Section 33

Phillips State Well No. 2, located 1980 feet from the South line and 660 feet from the West line of Section 28

Phillips State Well No. 4, located 330 feet from the North line and 330 feet from the West line of Section 28

Phillips State Well No. 6, located 2310 feet from the North line and 1980 feet from the West line of Section 28

Phillips State Well No. 8, located 660 feet from the South line and 1980 feet from the West line of Section 28

Phillips State Well No. 10, located 1650 feet from the South line and 1650 feet from the East line of Section 28

Phillips State Well No. 13, located 660 feet from the South line and 660 feet from the East line of Section 28

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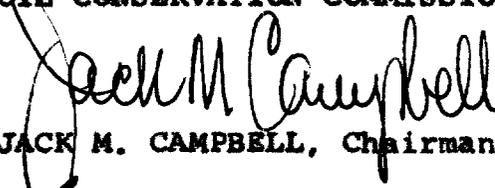
(2) That the subject waterflood project is hereby designated the Pennzoil Maljamar Waterflood Project and shall be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations; provided, however, that the Secretary-Director of the Commission may approve expansion of said waterflood project to include additional injection wells and leases as may be necessary to complete an efficient waterflood injection pattern.

(3) 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.

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

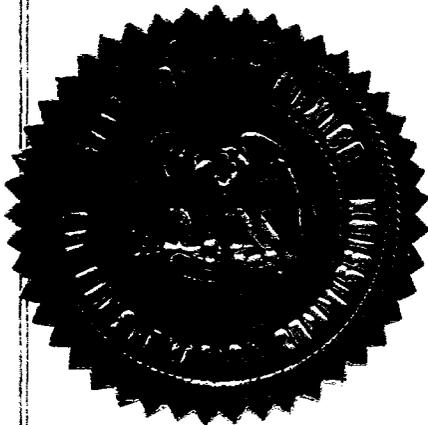
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


JACK M. CAMPBELL, Chairman


GUYTON B. HAYS, Member


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



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