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State of New Mexico
Oil Conservation Commission



LAND COMMISSIONER
GUYTON B. HAYS
MEMBER

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

P. O. BOX 2088
SANTA FE

December 22, 1967

Mr. A. J. Losee
Attorney at Law
Post Office Box 239
Artesia, New Mexico 88210

Re: Case No. 3699
Order No. R-3357
Applicant:
H & S 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.
A. L. PORTER, Jr.
Secretary-Director

ALP/ir

Carbon copy of order also sent to:

Hobbs OCC x
Artesia OCC x
Aztec OCC _____
State Engineer x

Other _____

LAW OFFICES

A. J. LOSEE

CARPER BUILDING - P. O. DRAWER 239
ARTESIA, NEW MEXICO 88210

AREA CODE 505
746-3508

JOEL M. CARSON

14 December 1967

MAIN OFFICE

Mr. A. L. Porter, Jr.
Secretary-Director
Oil Conservation Commission
of New Mexico
P. O. Box 2088
Santa Fe, New Mexico

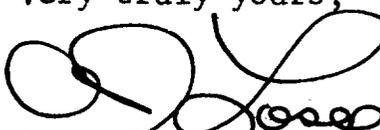
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Dear Mr. Porter:

Enclosed herewith you will please find triplicate copies of Application of H & S Oil Company for a Unit Agreement, Eddy County, New Mexico, and Application of H & S Oil Company for a waterflood project, Eddy County, New Mexico. These Applications have been set for hearing as Case Nos. 3698 and 3699, respectively, before the Examiner on December 20, 1967.

With a copy of this letter we are furnishing Mr. Irby with a copy of the Application and all exhibits in Case No. 3699.

Very truly yours,



A. J. Losee

Enclosures
AJL:rh

cc: Certified Mail
Return Receipt Requested
W/ Enclosures
Mr. Frank Irby, Chief
Water Rights Division
State Engineer Office
P. O. Box 1079
Santa Fe, New Mexico

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

January 8, 1968

C
Mr. A. J. Lessee
Attorney at Law
Post Office Box 239
Artesia, New Mexico 88210

O
Dear Mr. Lessee:

Reference is made to Commission Order No. E-3357, recently entered in Case No. 3699, approving the E & S West Artesia Unit Waterflood Project.

P
Injection is to be through the eight authorized water injection wells which shall be pressure tested to a minimum of 1500 psi prior to being placed on water injection. The Artesia District Office of the Commission shall be notified of the day and hour said tests are to be conducted so that a Commission representative can witness the tests. Any well which on conversion or later indicates the presence of a casing leak shall be equipped with tubing and a packer.

Y
As to allowable, our calculations indicate that 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 714 barrels per day when the Southeast New Mexico normal unit allowable is 42 barrels per day or less.

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

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

-2-

January 8, 1968

**Mr. A. J. Loss
Attorney at Law
Post Office Box 239
Artesia, New Mexico**

C 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.

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

P Very truly yours,

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

Y ALP/DSH/esr

**cc: Oil Conservation Commission
Post Office Box 1980
Hobbs, New Mexico**

**Oil Conservation Commission
Drawer 80
Artesia, New Mexico**

**Mr. D. H. Gray
State Engineer Office
Capitol Building
Santa Fe, New Mexico**