

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

July 23, 1968

**Mr. Richard S. Morris
Montgomery, Federici, Andrews, Hannahs & Morris
Attorneys at Law
Post Office Box 2307
Santa Fe, New Mexico**

Dear Sir:

Reference is made to Commission Order No. R-3448, recently entered in Case No. 3792, approving the Kewanee Square Lake "12" Waterflood Project.

Initial injection is to be through the seven authorized injection wells, through plastic-coated tubing set in packers which shall be located as near to the upper perforation as is practicable, or as near to the casing shoe as is practicable in the case of open-hole completions.

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 924 barrels per day when the Southeast New Mexico normal unit allowable is 42 barrels per day or less. This is assuming that the wells located in Units A, C, G, H, I, M, and O of Section 12, and in Units E and G of Section 7 will be placed back on production.

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.

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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

ALP/DSH/ir

cc: Oil Conservation Commission
Hobbs and Artesia, New Mexico

U. S. Geological Survey
Drawer U
Artesia, New Mexico

Mr. D. E. Gray, State Engineer Office
Santa Fe, New Mexico

