

BEFORE THE OIL CONSERVATION COMMISSION OF THE  
STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION)  
OF PENROC OIL CORP. FOR )  
APPROVAL OF A WATERFLOOD PROPECT)  
ON ITS N.G. PHILLIPS LEASE, )  
EDDY COUNTY, NEW MEXICO )

CASE NO. 3849  
ORDER NO. \_\_\_\_\_

A P P L I C A T I O N

PENROC OIL CORP, a Texas corporation with an operating office in Midland, Texas, hereby makes application under Rule 701 for approval to institute a water injection operation in its N. G. Phillips lease located in S/2 NE/4, N/2 SE/4, and SE/4 SE/4 of Section 27, Township 17 South, Range 28 East, Eddy County, New Mexico, and in support thereof shows: *Artesia Pool*

1.

That Penroc Oil Corp. is the operator of its N. G. Phillips lease described above. Said lease is in an advanced stage of depletion and applicant desires to institute a secondary recovery program by waterflooding. The Grayburg formation is the zone proposed to be flooded.

2.

Attached and filed herewith is a plat showing the location of the proposed injection well and all other wells within the radius of two miles from said proposed injection well, and showing also the lessees and operators within the two-mile radius.

3.

Attached and filed herewith are the logs run on the proposed injection well.

4.

Attached hereto and filed herewith is a diagrammatic sketch of the proposed injection well showing all casing strings, including diameters and setting depths, quantities used and tops of cement, perforated or open hole intervals, tubing strings including diameters and setting depths and the type and location of packers,

*8/22-68*

if any.

5.

Applicant proposes to inject fresh water from the Lea County Underground Water Basin acquired from Double Eagle Water Company into the Grayburg formation at a depth of 2056-2064 feet below the surface at an initial rate of 300 barrels per day.

6.

Applicant proposes that the waterflood project should be governed by the provisions of Rule 701 of the Commission's Rules and Regulations, including those provisions regarding allocation of allowables. Applicant also proposes to submit to the Commission monthly progress reports of the waterflood project in accordance with Rule 704 and Rule 1120 of the Commission's Rules and Regulations. Applicant further alleges that the granting of this application will be in the interest of prevention of waste and will not impair correlative rights.

WHEREFORE, applicant prays that the Commission set this application for public hearing before an Examiner in Santa Fe, New Mexico, that notice be issued according to law, and that upon hearing this application be granted.

PENROC OIL CORPORATION

by Donald G. Stevens  
Donald G. Stevens, Agent

DOCKET: EXAMINER HEARING - WEDNESDAY - SEPTEMBER 4, 1968

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,  
STATE LAND OFFICE BUILDING - SANTA FE, NEW MEXICO

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The following cases will be heard before Elvis A. Utz, Examiner, or Daniel S. Nutter, Alternate Examiner:

CASE 3847: (Continued from the August 21, 1968, Examiner Hearing)

Application of K. K. Amini for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Bough "C" zone of the Pennsylvanian formation underlying the NE/4 of Section 5, Township 10 South, Range 34 East, Lea County, New Mexico. Said acreage to be dedicated to a well to be drilled in the SW/4 NE/4 of said Section 5, adjacent to the Vada-Pennsylvanian Pool.

CASE 3513: (Reopened)

In the matter of Case No. 3513 being reopened pursuant to the provisions of Order No. R-3179-A, which order established 160-acre spacing units and a 160-acre proportional factor of 4.77 for allowable purposes for the Vada-Pennsylvanian Pool, Lea County, New Mexico, for a period of one year. All interested parties may appear and show cause why the pool should not be developed on less than 160-acre spacing units and show cause why the 160-acre proportional factor of 4.77 should or should not be retained.

CASE 3849:

Application of Penroc Oil Corporation for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the Grayburg formation through its Phillips State Well No. 4 located in Unit I of Section 27, Township 17 South, Range 28 East, Artesia Pool, Eddy County, New Mexico.

CASE 3850:

Application of Pan American Petroleum Corporation for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Bough (Permo-Pennsylvanian) formation in the interval from approximately 9590 feet to 9634 feet in its Federal "A" Well No. 3 located in Unit J of Section 13, Township 9 South, Range 35 East, Bough (Permo-Pennsylvanian) Pool, Lea County, New Mexico.

CASE 3851:

Application of Mobil Oil Corporation for a waterflood expansion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand its Bridges State Waterflood Project by the injection of water into the San Andres formation through an injection well recently completed at a location 660 feet from the South line and 560 feet from the West line of Section 24, Township 17 South, Range 34 East, Vacuum Pool, Lea County, New Mexico.

CASE 3852:

Application of Mobil Oil Corporation for a triple completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the triple completion (conventional) of its Bridges State Well No. 126 located in Unit J of Section 11, Township 17 South,

(2)

September 4, 1968 Examiner Hearing  
(Case 3852 continued)

Docket No. 26-68

Range 34 East, Lea County, New Mexico, in such a manner as to produce oil from the Abo, Middle Pennsylvanian and Morrow formations, Vacuum Field, through parallel strings of tubing.

CASE 3651: (Reopened)

In the matter of Case No. 3651 being reopened pursuant to the provisions of Order No. R-3315, which order created the North Morton Permo-Pennsylvanian Pool, Lea County, New Mexico, and established 80-acre spacing units for said pool for a period of one year. All interested parties may appear and show cause why said pool should not be developed on 40-acre spacing units.

CASE 3853: Application of Tenneco Oil Company for a waterflood expansion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the expansion of its Mesa Queen Waterflood Project, Mesa-Queen Pool, by the conversion to water injection of two additional wells located in the SW/4 NW/4 of Section 20 and the NW/4 SE/4 of Section 16, both in Township 16 South, Range 32 East, Lea County, New Mexico. Applicant further seeks an administrative procedure whereby said project could be expanded to include additional lands and injection wells as may be necessary to complete an efficient injection pattern.

CASE 3854: Application of Sinclair Oil & Gas Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Yates formation in the perforated interval from 3636 feet to 3700 feet in its Ballard DE Federal Well No. 6 located in Unit L of Section 22, Township 20 South, Range 34 East, Lynch Field, Lea County, New Mexico.

CASE 3431: (Reopened):

In the matter of Case No. 3431 being reopened pursuant to the provisions of Order No. R-3100-A to permit Sinclair Oil & Gas Company to show cause why its W. H. Turner Well No. 1 located in Unit L of Section 29, Township 21 South, Range 37 East, Lea County, New Mexico, a dual completion in the Drinkard and Blinbry Oil Pools, should not be completed in accordance with the provisions of Rule 112-A of the Commission Rules and Regulations.

CASE 3855: Application of Sunray DX Oil Company for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the Seven Rivers formation in the interval from approximately 3693 feet to 3733 feet in its H. D. Greer Well No. 1 located in Unit C of Section 21, Township 22 South, Range 36 East, South Eunice Pool, Lea County, New Mexico.

CASE 3856: Application of Skelly Oil Company for a waterflood project, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the Gallup formation through its Jicarilla "B" Wells Nos. 5 and 6 located in Units L and F, respectively, of Section 32, Township 25 North, Range 5 West, Otero-Gallup Pool, Rio Arriba County, New Mexico.

CASE 3857: Application of Coastal States Gas Producing Company for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the Tulk-Pennsylvanian Pool in Township 14 South, Range 32 East, Lea County, New Mexico, including a provision for 160-acre spacing and proration units with the assignment of 80-acre allowables.

In the alternative, applicant seeks the creation of a new pool for Pennsylvanian oil production from its State "26" Well No. 1 located in Unit D of Section 26, said Township and Range, and promulgation of the aforesaid special rules therefor.