

State of New Mexico  
Oil Conservation Commission



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

September 12, 1968

Re: Case No. 3849  
Order No. R-3494  
Applicant:  
Penroc Oil Corporation

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.

A. L. PORTER, Jr.  
Secretary-Director

Carbon copy of order also sent to:

Other \_\_\_\_\_

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BEFORE THE OIL CONSERVATION COMMISSION  
STATE OF NEW MEXICO

IN THE APPLICATION OF  
PENROC OIL CORPORATION  
FOR A WATERFLOOD PROJECT,  
EDDY COUNTY, NEW MEXICO.

No. 3849

ENTRY OF APPEARANCE

Come now Stephenson, Campbell & Olmsted and enter their appearance as attorneys  
herein for the Applicant, Penroc Oil Corporation.

STEPHENSON, CAMPBELL & OLMSTED

By *Harry H. Olmsted*

**OIL CONSERVATION COMMISSION**

**P. O. BOX 2088**

**SANTA FE, NEW MEXICO 87501**

**September 17, 1968**

**Mr. Don Stevens  
LeMay & Stevens  
Petroleum Consultants  
Post Office Box 2244  
Santa Fe, New Mexico**

**Dear Sir:**

**Reference is made to Commission Order No. R-3494, recently entered in Case No. 3849, approving the Penroc Phillips-Artesia Waterflood Project.**

**Injection is to be through the one authorized water injection well, which shall be equipped with internally plastic-coated tubing set in a packer at approximately 2000 feet. The casing-tubing annulus shall be loaded with an inert fluid and equipped with a gauge to facilitate detection of leakage in the casing, tubing, or packer.**

**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 224 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 preration 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 allowable provisions of Rule 701, it behooves him to promptly notify**

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Santa Fe, New Mexico

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/DSN/ir

cc: Oil Conservation Commission Offices in Hobbs and Artesia, N.M.

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