

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. 3997
Order No. R-3547

APPLICATION OF KERSEY-WITTKOPP
AND E. A. HANSON FOR TWO WATERFLOOD
PROJECTS, EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on October 23, 1968, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 31st day of October, 1968, 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 applicants, Kersey-Wittkopp and E. A. Hanson, seek permission to institute two cooperative waterflood projects in the Shugart Pool by the injection of water into the Queen formation through two injection wells located in the NW/4 SE/4 and the SW/4 SE/4 of Section 6, Township 19 South, Range 31 East, NMPM, Eddy County, New Mexico.

(3) That the wells in the project areas are in an advanced state of depletion and should properly be classified as "stripper" wells.

(4) That the proposed waterflood projects should result in the recovery of otherwise unrecoverable oil, thereby preventing waste.

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(5) That the project area comprising the SW/4 SE/4 and the SE/4 SE/4 of said Section 6 should be designated as an area wherein transfer of allowables between leases is permitted, provided said area has been unitized or otherwise consolidated, or provided all persons owning working interests and/or royalty interests within said area have so agreed and evidence of such unitization, consolidation, or agreement has been filed with the Santa Fe Office of the Commission.

(6) That, subject to Finding No. (5), the proposed waterflood projects should be approved and the projects 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 applicants, Kersey-Wittkopp and E. A. Hanson, are hereby authorized to institute the following cooperative waterflood projects in the Shugart Pool by the injection of water into the Queen formation through the following-described wells in Section 6, Township 19 South, Range 31 East, NMPM, Eddy County, New Mexico:

Kersey-Wittkopp Shugart Waterflood Project

Injection well:

Kersey-Wittkopp Texaco Federal Well No. 2 - Unit J - Section 6

Hanson Shugart Waterflood Project

Injection well:

E. A. Hanson Payne "A" Federal Well No. 1 - Unit C - Section 6

(2) That the aforementioned Hanson Shugart Waterflood Project, comprising the SW/4 SE/4 and the SE/4 SE/4 of said Section 6, is hereby designated an area wherein transfer of allowables between leases is permitted, provided said area is unitized or otherwise consolidated, or provided all persons owning working interests and/or royalty interests within said area so agree

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and evidence of such unitization, consolidation, or agreement is furnished the Santa Fe Office of the Commission.

(3) That the subject waterflood projects shall be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

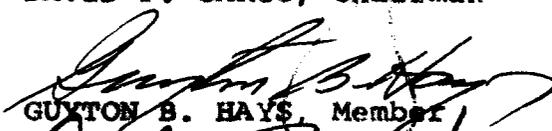
(4) That monthly progress reports of the waterflood projects herein authorized shall be submitted to the Commission in accordance with Rules 704 and 1120 of the Commission Rules and Regulations.

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

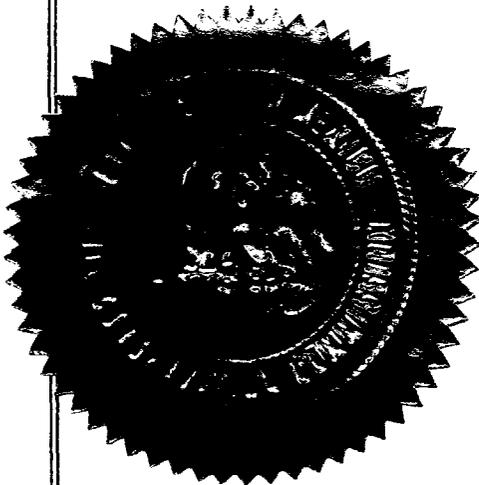
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

DAVID F. CARGO, Chairman


GUYTON B. HAYS, Member


A. L. PORTER, Jr. Member & Secretary



esr/