

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

May 28, 1969

Mr. Clarence Hinkle
Hinkle, Bondurant & Christy
Attorneys at Law
Post Office Box 10
Roswell, New Mexico 88201

Dear Sir:

Enclosed herewith is Commission Order No. R-3769, entered in Case No. 4138, approving the Atlantic Richfield East Shugart Waterflood Project.

Injection is to be through the 11 authorized water injection wells. Unit Wells Nos. 1, 3, 6, 15, 22, and 23 are to be dually-completed injection wells with water being injected through parallel strings of tubing into zones separated by a packer with an upper dual packer being set within 100 feet of the uppermost perforation. Unit wells Nos. 16, 28, and 29 are to be single injection wells with water being injected through tubing set in a packer located within 100 feet of the uppermost perforation or the casing shoe, in open hole completions. Unit well No. 32, to be drilled at an unorthodox location 100 feet from the South line and 990 feet from the West line of Section 35, Township 18 South, Range 31 East, and Unit Well No. 19 are to be dual injectors, with injection into the Queen formation through tubing and injection into the Yates formation down the casing-tubing annulus. Surface casing on the No. 32 shall be set at approximately 800 feet and cemented to the surface.

Injection water shall be treated to prevent corrosion and coupon corrosion tests continuously conducted on any well in which has injection down the casing. The casing tubing annulus in the other wells shall be loaded with a corrosion-inhibited fluid and equipped with a pressure gauge at the surface to facilitate detection of leakage in the packer, tubing, or casing.

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 1260 barrels per day when the Southeast New Mexico normal unit allowable is 42 barrels per day or less.

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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/DSN/ir

cc: Oil Conservation Commission offices in Hobbs and Artesia

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