

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

October 29, 1969

Mr. A. J. Losee
Attorney at Law
Post Office Box 239
Artesia, New Mexico 88210

Dear Sir:

Reference is made to Commission Order No. R-3854, recently entered in Case No. 4226, approving the John A. Yates Artesia State A Water-flood Project.

Injection is to be into the two authorized water injection wells, the State "A" Wells Nos. 2 and 6, with injection being through 2 3/8-inch tubing set in packers. The packers in the two wells shall be set at 1830 feet and 1920 feet, respectively. The casing-tubing annulus in each of the wells shall be loaded with an inert fluid and equipped with a pressure gauge at the surface.

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 126 barrels per day when the Southeast New Mexico normal unit allowable is 42 barrels per day or less. This allowable may, of course, be increased by the unitization or consolidation in a satisfactory manner of the SE/4 of Section 5 with the SW/4 NE/4, SE/4 NW/4, and E/2 SW/4 of Section 5 and the N/2 NE/4 of Section 8, and evidence thereof furnished the Commission.

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.

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

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C 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.

O Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

P ALP/DSN/ir

cc: Oil Conservation Commission offices in Hobbs and Artesia

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