

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. 4271
Order No. R-2748-A

APPLICATION OF TEXACO INC. FOR A
WATERFLOOD EXPANSION AND AMENDMENT
OF ORDER NO. R-2748, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on November 25, 1969, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 3rd day of December, 1969, 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 applicant, Texaco Inc., is the operator of the Texaco Rhodes "B" Federal Waterflood Project in the Rhodes (Yates-Seven Rivers) Pool, Lea County, New Mexico, approved by Commission Order No. R-2748.

(3) That the applicant now seeks authority to expand said waterflood project by the injection of water into the Yates and Seven Rivers formations through three additional wells in Units B, H, and P of Section 27, Township 26 South, Range 37 East, NMPM, Lea County, New Mexico.

(4) That the applicant further seeks to institute an additional waterflood project in said pool by the injection of

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water into the Yates and Seven Rivers formations through one well located in Unit N of Section 22 of said Township and Range.

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

(6) That the proposed expansion of the Rhodes "B" Federal Waterflood Project authorized by said Order No. R-2748 and the institution of the proposed new waterflood project should result in the recovery of otherwise unrecoverable oil, thereby preventing waste.

(7) That the applicant further seeks the establishment of an administrative procedure whereby said projects could be expanded to include additional lands and injection wells in the area of said projects as may be necessary in order to complete an efficient injection pattern; that said administrative procedure should provide for administrative approval for conversion to water injection in exception to the well response requirements of Rule 701 E-5 of the Commission Rules and Regulations.

(8) That the subject application should be approved and the projects should be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations; provided, however, that the showing of well response as required by Rule 701 E-5 shall not be necessary before obtaining administrative approval for the conversion of additional wells to water injection.

IT IS THEREFORE ORDERED:

(1) That the applicant, Texaco Inc., is hereby authorized to expand its Rhodes "B" Federal Waterflood Project in the Rhodes (Yates-Seven Rivers) Pool, authorized by Order No. R-2748, by the injection of water into the Yates and Seven Rivers formations through the following-described three additional wells in Section 27, Township 26 South, Range 37 East, NMPM, Lea County, New Mexico:

W. H. Rhodes "b" (NCT-1) Well No. 5 located in Unit B
W. H. Rhodes "b" (NCT-1) Well No. 4 located in Unit H
W. H. Rhodes "b" (NCT-1) Well No. 9 located in Unit P

(2) That the applicant, Texaco Inc., is hereby authorized to institute a waterflood project in the Rhodes (Yates-Seven Rivers)

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Pool, to be designated the Texaco Rhodes "A" Federal Waterflood Project, by the injection of water into the Yates and Seven Rivers formations through its W. H. Rhodes "A" Federal Well No. 4 located in Unit N of Section 22, Township 26 South, Range 37 East, NMPM, Lea County, New Mexico.

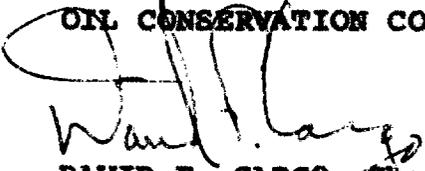
(3) That the subject waterflood projects shall be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations;

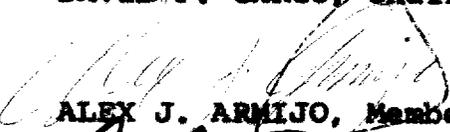
PROVIDED HOWEVER, that the Secretary-Director of the Commission may approve expansion of the above-described waterflood projects to include such additional lands and injection wells in the area of said projects as may be necessary to complete an efficient water injection pattern; that the showing of well response as required by Rule 701 E-5 shall not be necessary before obtaining administrative approval for the conversion of additional wells to water injection.

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

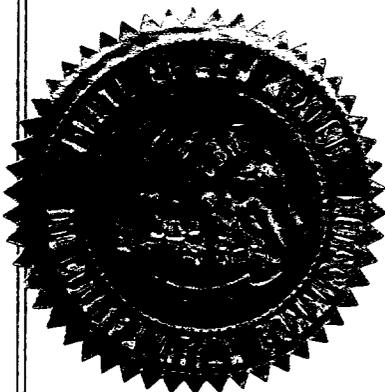
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


DAVID F. CARGO, Chairman


ALEX J. ARMIJO, Member


A. L. PORTER, Jr., Member & Secretary



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