

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
RESERVE OIL AND GAS COMPANY FOR A
WATERFLOOD PROJECT, JALMAT OIL POOL
LEA COUNTY, NEW MEXICO

COOPER-JAL UNIT
JALMAT ZONE
LEA COUNTY, NEW MEXICO

GENERAL

Operator: Reserve Oil and Gas Company
Project: Cooper-Jal Unit - Jalmat Zone
Pool: Jalmat Oil
Location of Project:

Township 24 South, Range 36 East, N.M.P.M.

Section 13: S/2
Section 14: SE/4 SE/4
Section 23: S/2 SE/4
Section 24: All
Section 25: N/2
Section 26: NE/4 NE/4

Township 24 South, Range 37 East, N.M.P.M.

Section 18: All
Section 19: W/2
Section 30: NW/4

No. of Wells
in Project: 50

Unit and Pro-
ject Area: Approximately 2,541 acres

Other Waterflood
Properties in Pool: The Cone Jalmat Yates Sand Unit and the Gulf
Jalmat Yates Sand Unit are located approximately
12 miles northwest of the proposed unit

GEOLOGICAL AND RESERVOIR DATA

| | |
|----------------------------------|--|
| Reservoir: | The Jalmat reservoir in the project area includes the Tansill, Yates and all but 250 feet of the lower Seven Rivers formation productive zones. The Yates is the principal producing formation at a depth of approximately 3000 feet. |
| Description of Reservoir Rock: | The formations are members of the Whitehorse Group, Guadalupian series of the Permian, and can be described as fine to medium crystalline dolomites and dolomitic limestones interbedded with fine to medium grained sands with the zones of porosity occurring irregularly as intercrystalline and fine vugular in the carbonates and as intergranular in the sand bodies. |
| Structure: | Regionally, the unit area is located on the western edge of the Central Basin Platform of the Permian Basin, but locally, it is on a structurally low area or syncline. The regional dip in the area is west-southwest toward the Delaware Basin, but it is abruptly interrupted by a structurally high trend produced by the "Cooper-Jal" Reef located to the west of the unit area. The northwest-southeast trending syncline produced by this reversal of dip extends beyond the unit area in both directions and is abnormally low locally to actually form a closed low in which most of the unit is located. |
| Reservoir Limits: | The Yates formation is progressively higher structurally in all directions such that the oil accumulation in the Yates formation is virtually surrounded by wells producing dry gas. |
| Average Porosity of Net Pay: | 9.8% |
| Average Permeability of Net Pay: | 11.8 mud |

PRIMARY OPERATIONS

| | |
|---------------------------|------|
| Date of First Production: | 1947 |
|---------------------------|------|

PRIMARY OPERATIONS, Continued

| | |
|--|--|
| No. of Wells in Project: | 50; 13 of which are either producing or are shut-in gas wells |
| Cumulative Oil Production 1-1-70: | 3,927,327 barrels |
| Remaining Primary Reserves 1-1-70: | 133,652 barrels |
| Daily Average Oil Production Per Well 12-69: | 3.6 barrels |
| Original Reser- voir Pressure: | Unknown |
| Oil Gravity: | 34° API |
| Drive Mechanism: | Solution Gas Drive |
| Stage of Depletion: | Late; the Jalmat Zone in the unit area is estimated to be 96.8% depleted of primary reserves. |
| Estimated Ultimate Primary Recovery: | 4,060,979 barrels |

WATERFLOOD OPERATIONS

| | |
|----------------------------------|--|
| Proposed Pattern: | Irregular 80-acre five spot |
| No. of Injec- tion Wells: | 23 |
| No. of Producers: | 22 |
| Initial Injection Rate: | 350 barrels per day per injection well |
| Estimated Injection Pressure: | 1200 psi at the injection wellhead. Injection plant and water distribution system is designed for 1845 psi maximum operating pressure. |

WATERFLOOD OPERATIONS, Continued

Plan of
Injecting Water: Injection into the pay zone through internally coated tubing below a packer.

Source of
Injection Water: Water will be purchased from Skelly's water supply system.

Type of Water: Non-potable

Treatment of Water: No treatment of the injection water is anticipated; however, should treatment be deemed desirable, treatment will be commenced.

Additional Oil
Recovery
Anticipated: The additional oil recovery attributable to the water injection program is estimated to be 3,045,700 barrels which is 75% of the estimated ultimate primary oil recovery.

CONCLUSIONS AND RECOMMENDATIONS

The Jalmat Pool produces by solution gas drive and this portion of the pool is 96.8% depleted of primary oil and the daily oil production averages less than three barrels per day per well.

Engineering and geological studies indicate that the Jalmat (Oil) Pool underlying the proposed unit area can be successfully waterflooded; thereby, increasing the life and the ultimate oil production of wells in this unit. The increased recovery due to waterflooding should be approximately 3,045,700 barrels of oil. Reserve Oil and Gas Company, together with the other working interest owners, have concluded that unitization of the unit area comprising 2,541 acres for the purpose of waterflooding the Yates oil formation is in the best interest of conservation and the prevention of waste.

Amerado Petr. Corp.
Falby No. 1
Sec. 19 T-24-S, R-37-E

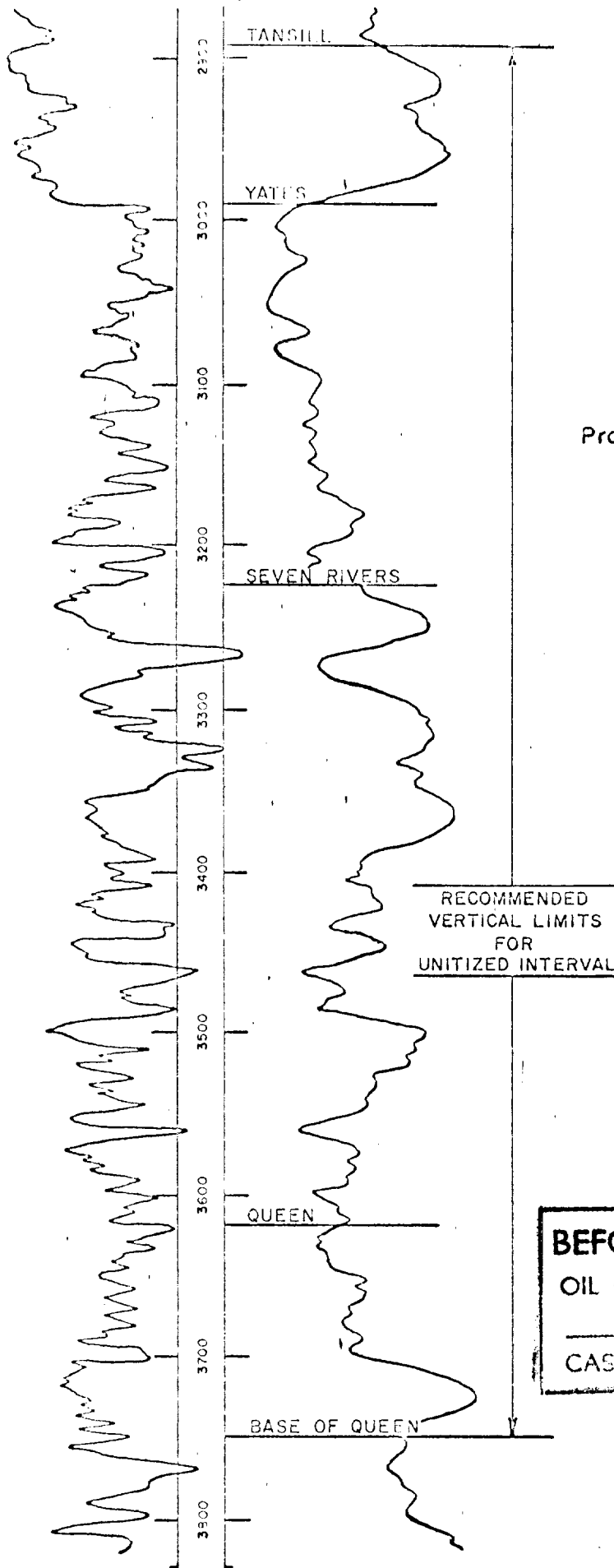


EXHIBIT 2
Proposed Unitized Vertical Limit
Cooper Jal Unit
Lea County, New Mexico

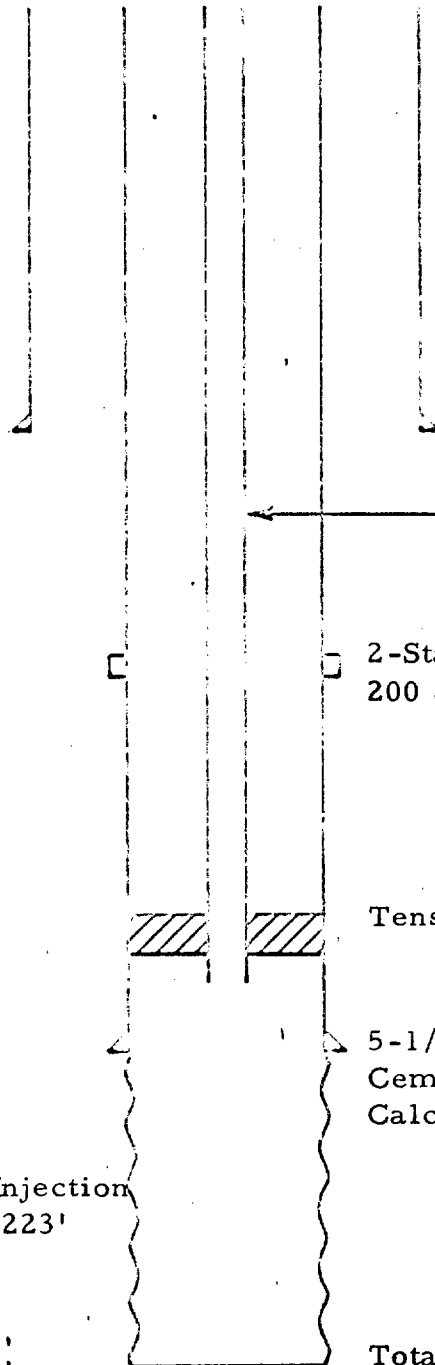
BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
EXHIBIT NO. 2
CASE NO. 4404

EXHIBIT 5
COOPER JAL UNIT
JALMAT ZONE

*estimated
3,000,000
add bills.*

TYPICAL SINGLY COMPLETED INJECTION WELL
ROG VAN ZANDT NO. 2

| | |
|------------------------|------|
| BEFORE EXAMINED MUTTER | |
| OIL CONSIDER | FOR |
| EXHIBIT NO. | 5 |
| CASE NO. | 4404 |



8-5/8" Casing @ 310'
Cemented with 100 Sacks
Cement Circulated

2-3/8" Lined Tubing

2-Stage Tool. Cemented with
200 Sacks Approximately 1200'

Tension Type Packer at 2939'

5-1/2" Casing @ 2989'
Cemented with 200 Sacks
Calculated Top Cement 2508'

Zone of Injection
2989' - 3223'

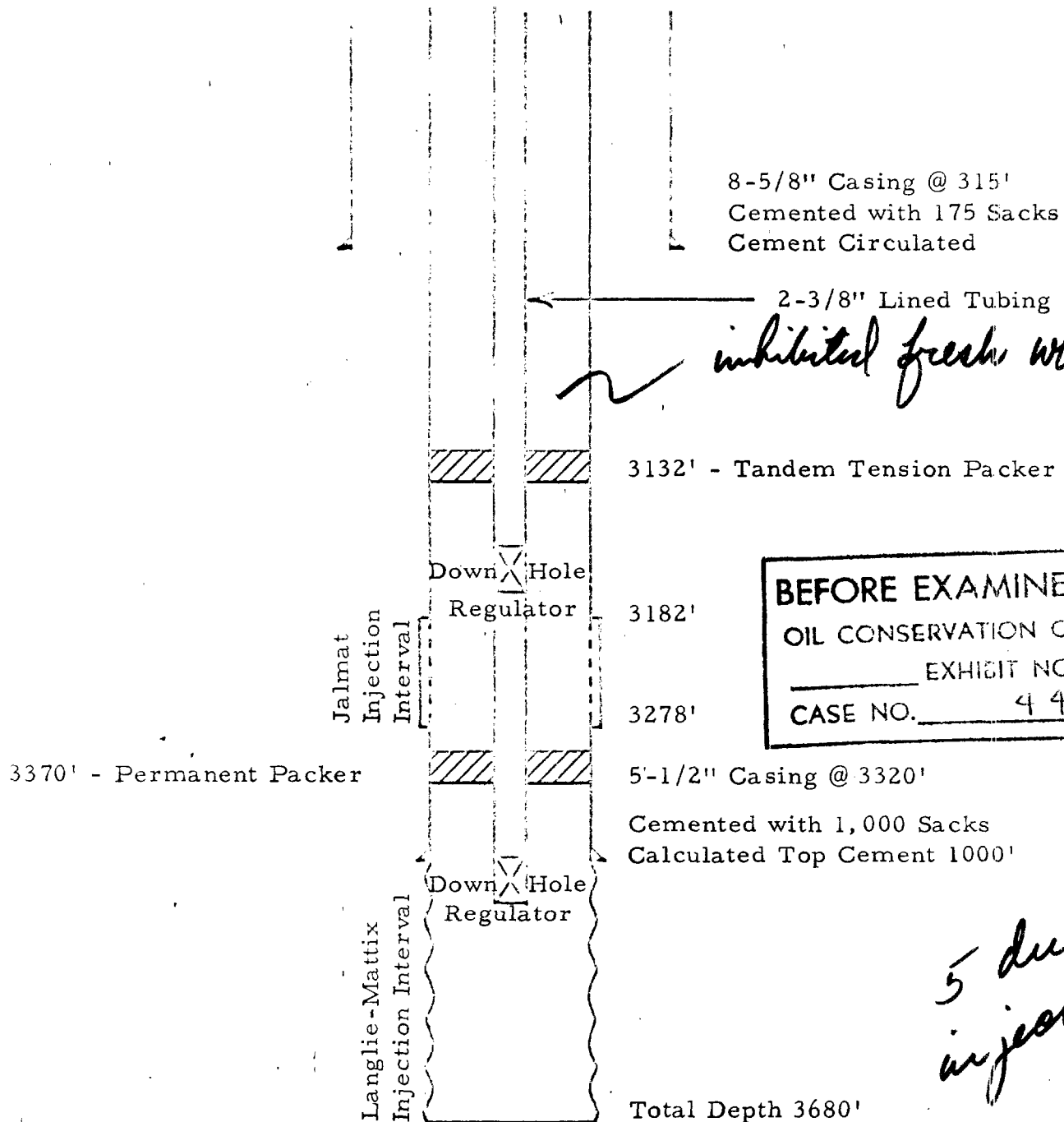
Total Depth 3223'

*approx 50
above
shale
perf*

*water
source:
water will be purchased
from Skelly (7R & Capitan reef) injectors
also prod water will be re-inj. 18 single*

EXHIBIT 6
COOPER JAL UNIT
JALMAT AND LANGLEIE-MATTIX ZONES

TYPICAL DUAL INJECTION WELL
AMERADA FALBY NO. 3



BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
EXHIBIT NO. 6
CASE NO. 4404

5 dual
injectors

EXHIBIT NO. 7
INJECTION WELL DETAIL
COOPER-JAL UNIT
JALMAT ZONE
IEA COUNTY, NEW MEXICO

| Operator Lease | Well No. | LOCATION | | | | C A S I N G | | | | C E M E N T | | Perforations | Open Hole | Total Depth | Plugged Back Total Depth | Injection Interval Perforation or Open Hole | Tubing-Packer Set At | Remarks | |
|---|-------------|-----------------------|------|---------|----------|-------------|---------|--------------|------------|---------------------------|-------------------|----------------------|------------------------|----------------|-----------------------------|---|-------------------------|---------|--|
| | | Distance | Unit | Section | Township | Range | Surface | | Production | | Amount Sacks | | | | | | | | Top Feet |
| | | | | | | | Size | Depth Set | Size | Depth Set | | | | | | | | | |
| Amerada Falby | 3 | 1980 FSL & 1917 F.WL | K | 19 | 24S | 37E | 8-5/8" | 315' | 5-1/2" | 3320' | 175 1000 | 0C 1000C | 3182-3278' ✓ | 3320-3680' | 3680' | - | 3182-3278' | 3130' | Dual Injector. |
| | 4 | 660 FSL & 628 F.E.L | M | 19 | 24S | 37E | 8-5/8" | 291' | 5-1/2" | 3350' | 175 1000 | 0C 1000C | 3060-3158' | - | 3350' | 3270' | 3060-3158' | 3010' | |
| | 1 | 660 FSL & 660 F.WL | M | 18 | 24S | 37E | 9-5/8" | 260' | 7" | 3410' | 150 500 | 0C 1200 | 3030-3200'* ✓ | 3410-3641' | 3641' | - | 3030-3200'* | 2980' | Dual Injector. |
| | 1 | 2310 FNL & 4950 F.E.L | E | 19 | 24S | 37E | 9-5/8" | 267' | 7" | 2975' | 75 400 | 0C 1775C | - | 2975-3167' | 3167' | - | 2975-3167' | 2925' | Dual Injector. To be deepened to Langlie-Matrix. |
| Continental Oil Jack Federal 19 | 4 | 1587 F.WL & 990 FNL | C | 19 | 24S | 37E | 10-3/4" | 300' | 7" | 2962' | 80 300 | 0C 2000C | - | 2962-3191' | 3191' | - | 2962-3191' | 2912' | |
| | 3 | 1980 FNL & 760 F.WL | E | 24 | 24S | 36E | 8-5/8" | 309' | 5-1/2" | 3031' | 150 850 | 0C 1000C | - | 3031-3195' | 3195' | - | 3031-3195' | 2980' | |
| | 4 | 660 FNL & 1980 F.WL | C | 24 | 24S | 36E | 8-5/8" | 315' | 5-1/2" | 3000'- 2854'- 3604' | 150 650 45 | 0C 1440C 2854 | 3030-3200'* ✓ | - | 3604' | 3574' | 3030-3200'* | 2980' | Dual Injector. |
| | 1 | 660 FSL & 2020 F.E.L | O | 23 | 24S | 36E | 13-3/8" | 209' | 9-5/8" | 2774' | 130 800 200 | 0C 1578C 2700C | 2925-851'; 3000-20' | - | 3602' | 3050' | 2925-3020' | 2875' | |
| Petroleum Corporation of Texas M. Dunn | 3 | 4620 FNL & 4620 F.E.L | M | 24 | 24S | 36E | 8-5/8" | 268' | 5-1/2" | 3035' | 150 900 | 0C 875C | - | 3035-3210' | 3210' | - | 3035-3210' | 2985' | |
| | 1 | 1710 F.E.L & 330 FSL | O | 13 | 24S | 36E | 8-5/8" | 304' | 5-1/2" | 2969' | 100 200 | 0C 2489C | - | 2969-3228' | 3228' | - | 2969-3228' | 2900' | |
| | 2 | 1050 F.E.L & 1650 FSL | I | 13 | 24S | 36E | 8-5/8" | 300' | 5-1/2" | 3034' | 75 200 | 0C 2550C | - | 3034-3235' | 3235' | - | 3034-3235' | 2785' | Well to be deepened to Langlie Matrix. Dual Injector. |
| | 1 | 330 FNL & 3050 F.E.L | C | 25 | 24S | 36E | 8-5/8" | 292' | 5-1/2" | 2970' | 100 400 | 0C 2010C | - | 2970-3230' | 3230' | - | 2970-3230' | 2920' | |
| Harrison | 7 | 330 F.WL & 1980 FNL | E | 25 | 24S | 36E | 8-5/8" | 292' | 5-1/2" | 3541' | 150 300 | 0C 2821C | 2990-3200'* | - | 3589' | - | 2990-3200'* | 2940' | |
| | 2 | 660 F.E.L & 1980 FSL | I | 24 | 24S | 36E | 8-5/8" | 302' | 5-1/2" | 2995' | 125 400 | 0C 2035C | - | 2995-3225' | 3225' | - | 2995-3225' | 2940' | |
| | 1 | 330 FSL & 1720 F.E.L | O | 24 | 24S | 36E | 8-5/8" | 247' | 5-1/2" | 2991' | 125 350 | 0C 2151C | - | 2991-3250' | 3250' | - | 2991-3250' | 2940' | |
| | 4 | 1980 F.WL & 1980 FSL | K | 24 | 24S | 36E | 8-5/8" | 302' | 5-1/2" | 3001' | 125 400 | 0C 2040C | - | 3001-3244' | 3244' | - | 3001-3244' | 2950' | |
| Reserve Oil and Gas Company Van Zandt | 2 | 330 FNL & 330 F.E.L | A | 25 | 24S | 36E | 8-5/8" | 310' | 5-1/2" | 2989' | 100 200 + 200 | 0C 2508C | - | 2989-3223' | 3223' | - | 2987-3223' | 2930' | |
| | 4 | 1650 FNL & 1650 F.E.L | G | 25 | 24S | 36E | 8-5/8" | 236' | 5-1/2" | 3003' | 100 200 + 200 | 0C 2523C | - | 3003-3324' | 3324' | - | 3003-3324' | 2950' | |
| | 1 | 1980 FNL & 1650 F.E.L | G | 24 | 24S | 36E | 8-5/8" | 300' | 5-1/2" | 2988' | 123 400 | 0 2568C | - | 2988-3251' | 3251' | - | 2988-3251' | 2930' | |
| | 3 | 660 FNL & 330 F.E.L | A | 24 | 24S | 36E | 8-5/8" | 258' | 5-1/2" | 2994' | 125 400 | 0C 2514C | - | 2994-3237' | 3237' | - | 2994-3237' | 2944' | |
| Atlantic Richfield Company Dunn SCP | 1 | 1980 FNL & 660 F.WL | E | 30 | 24S | 37E | 13-3/8" | 302' | 7" | 2828' | 350 500 450 | 0C 500C 1900C | - | 2828-3180' | 3180' | - | 2828-3180' | 2778' | |
| | 3 | 660 FNL & 1917 F.WL | C | 30 | 24S | 37E | 9-5/8" | 1162' | 7" | 3148' | 600 400 | 0C 1948C | 3040-3120' | - | 3134' | 3125' | 3040-3120' | 2990' | |
| | 1 | 330 FNL & 330 F.E.L | A | 26 | 24S | 36E | 8-5/8" | 293' | 5-1/2" | 2981' | 150 400 | 0C 2061C | - | 2981-3193' | 3193' | - | 2981-3193' | 2930' | Slotted Liner. 2951-3193'. 4" OD. |
| | 1 | 1980 FNL & 660 F.WL | E | 30 | 24S | 37E | 9-5/8" | 1174' | 7" | 2828' | 500 1900C | 0C 500C | - | 2828-3180' | 3180' | - | 2828-3180' | 2778' | |

NOTES: C = Calculated
* Indicates perforations or deepening to be performed after unitization.

BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
EXHIBIT NO. 7
CASE NO. 4404

Approved
w/ 175