

LLANO , INC.

**Lusk Strawn Deep Unit
Pressure Maintenance Project
Lea & Eddy Counties, New Mexico**

Exhibits 1 - 16

NMOCC Hearing

October 8, 1975

Ex. No. 5

BEFORE EXAMINER STATES
OIL CONSERVATION COMMISSION
EXHIBIT NO. 5
CASE NO. 5563-4
IN REPLY REFER TO:
Submitted by Flame Inc.
Hearing Date 02/8/75

United States Department of the Interior

GEOLOGICAL SURVEY
Denver Federal Center
Denver, Colorado 80225

RECEIVED December 6, 1973

DEC 10 1973

Hinkle, Bondurant, Cox & Eaton
P. O. Box 10
Roswell, New Mexico 88201

HINKLE, BON DURANT, COX & EATON
ROSWELL, NEW MEXICO

Gentlemen:

Your application filed October 23, 1973, on behalf of Llano, Inc., requests the designation of the Lusk Strawn Deep unit area embracing 20,863.88 acres, Lea and Eddy Counties, New Mexico, as logically subject to operation under the unitization provisions of the Mineral Leasing Act, as amended. The proposed unit area embraces 18,581.60 acres (89.06 percent) of Federal land and 2,282.28 acres (10.94 percent) of New Mexico State land.

Unitization is for the purpose of conducting secondary recovery operations by injecting extraneous gas and will be limited to the Strawn zone of Pennsylvanian age defined by Section 2(g) of the unit agreement. The proposed unit area has been developed by 65 wells completed in the formation to be unitized. Participation will be based on a single phase formula consisting of 5 percent surface acres, 20 percent productive acres, and 75 percent net acre-feet. You estimate that secondary recovery operations will result in the recovery of an additional 10,175,000 total equivalent barrels of oil.

The land requested, as outlined on your plat marked "Exhibit A, Lusk Strawn Deep Unit, Lea and Eddy Counties, New Mexico" is hereby designated as a logical unit area. The designation of the Lusk Strawn Deep Unit is granted provided the Lusk Deep and Plains unit agreements, which are wholly within the proposed unit area, are amended to eliminate the Strawn zone of Pennsylvanian age prior to filing the proposed unit agreement for final approval. Your proposed form of unit agreement will be acceptable if modified as indicated. One marked copy of the form is returned herewith and one copy is being sent to the Oil and Gas Supervisor, Roswell, New Mexico. We hereby concur in the Supervisor's recommendation that the proposed basis for allocating unitized production be accepted.

The format of the sample exhibits attached to the 1968 reprint of the Form of Unit Agreement for Unproved Areas should be followed closely, including the latest status of all acreage, in the preparation of Exhibits A, B, and C.

In the absence of any objection not now apparent, a duly executed agreement conformed to the returned copy and approved by the appropriate officials of the State of New Mexico will be approved if submitted in approvable status within a reasonable period of time. However, the right is reserved to deny approval of any executed agreement that, in our opinion, does not have full commitment of sufficient lands to afford effective control of operations in the unit area.

As the unit area contains State of New Mexico lands, we are sending a copy of this letter to the Commissioner of Public Lands of the State of New Mexico in Santa Fe. Please contact the State of New Mexico before soliciting joinders, regardless of prior contacts with or clearances from the State.

Sincerely yours,

George H. Horn
Conservation Manager, Central Region
For the Director



United States Department of the Interior

GEOLOGICAL SURVEY
Denver Federal Center
Denver, Colorado 80225

RECEIVED

JAN 21 1974

HINKLE, BONDURANT, COX & EATON
ROSWELL, NEW MEXICO

JAN 18 1974

IN REPLY REFER TO:

Mr. Clarence E. Hinkle
Hinkle, Bondurant, Cox and Eaton
P.O. Box 10
Roswell, New Mexico 88201

Dear Mr. Hinkle:

Your letter of December 14, 1973, requests preliminary approval for the text of two separately proposed amendments, one each to the Lusk Deep unit agreement and to the Plains unit agreement, both in Lea County, New Mexico, and for a proposed form of Consent and Ratification to each such amendment.

The proposed amendments are designed to eliminate the Strawn formation from both the Lusk Deep and Plains unit agreements while maintaining each such agreement with respect to all other formations. Such action is necessary to facilitate the commitment of certain interests in both the Lusk Deep and Plains unit areas to the Lusk Strawn Deep unit agreement.

The proposed amendments and forms of "Consent and Ratification" are satisfactory to this office and such amendments, properly executed on the proposed signatory instruments, should be filed concurrently with the request for final approval of the Lusk Strawn Deep unit agreement.

Sincerely yours,

Conservation Manager, Central Region
For the Director

cc:
El Paso Products Company
P.O. Box 3986
Odessa, Texas 79760

Perry R. Bass
Fort Worth National Bank Bldg.
Fort Worth, Texas 76102

State of New Mexico

TELEPHONE
505-827-2748

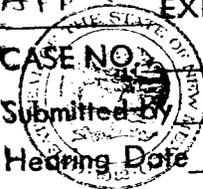
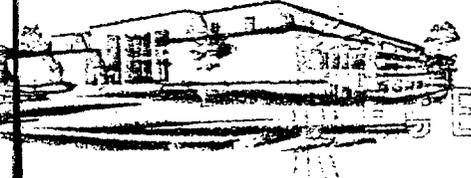
BEFORE EXAMINER STAMETS
OIL CONSERVATION COMMISSION

APP. EXHIBIT NO. 6

CASE NO. 5563 64

Submitted by LLANO INC

Hearing Date 10-8-75

Ex. No. 6

Commissioner of Public Lands

ALEX J. ARMIJO
COMMISSIONER

January 4, 1974

HINKLE, BONDURANT, COX & EATON
ROSWELL, NEW MEXICO
P. O. BOX 1148
SANTA FE, NEW MEXICO

Hinkle, Bondurant, Cox & Eaton
600 Hinkle Building
P. O. Box 10
Roswell, New Mexico 88201

Re: Llano, Inc.'s
Proposed Lusk Strawn Deep Unit
Lea and Eddy Counties, New Mexico

ATTENTION: Mr. Clarence E. Hinkle

Gentlemen:

We have reviewed the proposed unexecuted copy of unit agreement, Exhibits "A" and "B" for the Lusk Strawn Deep Unit. The form of agreement meets with the requirements of the Commissioner of Public Lands with a few minor changes as outlined below.

Under Section 24 (EFFECTIVE DATE AND TERM), lines 1 and 6, page 26, we would like for you to change the wording from "can be produced" to "are produced". Enclosed is copy of page 26 reflecting such change.

Your Exhibits "A" and "B" require a few changes also. Under Tract 95 the Lessee of Record should be Cities Service Oil Company, under Tract 100 the new Lease is LG-1477 which was bought by Amoco Production Company, under Tract 105 it should show assignment one and is owned by Hanland Oil Corporation, under Tract 107 it should show assignment one and is owned by Coronet Trading Corporation. Enclosed are pages 10 and 11 of the Exhibit "B" reflecting such changes.

Your proposed agreement has this date been approved as to Form and Content, subject to the changes as outlined in Paragraphs 2 and 3.

Upon submitting the unit for final approval the following are required by this office.

1. Application for final approval stating all Tracts committed and tracts not committed.
2. Two executed copies of Unit Agreement-one must be an original.
3. One executed copy of Operating Agreement, with ratifications
4. Two copies of all ratifications from Lessees of Record and Working Interest Owners, one must be an original.

Hinkle, Bondurant, Cox & Eaton
January 4, 1974
Page 2.

5. Final Drafts of Exhibits "A" and "B".

We are in receipt of your Two Hundred and Thirty (\$230.00) Dollars for the filing fee, however, the filing fee is ten dollars for each section or fraction part thereof, whether the acreage is federal, state or privately owned. Therefore, please remit another Two Hundred and Thirty (\$230.00) Dollars.

If we may be of further help please do not hesitate to call on us.

Very truly yours,


RAY D. GRAHAM, Director
Oil and Gas Division

AJA/RDG/s
encls.
cc:

United States Geological Survey
P. O. Drawer 1857
Roswell, New Mexico
(ATTENTION: Mr. Carl Traywick)

State of New Mexico

TELEPHONE

505-827-2748

RECEIVED

JAN 12 1974

HINKLE, BONDURANT, COX & EATON
ROSWELL, NEW MEXICO
P. O. BOX 1148

SANTA FE, NEW MEXICO



Commissioner of Public Lands

January 11, 1974

ALEX J. ARMIJO
COMMISSIONER

Hinkle, Bondurant, Cox & Eaton
600 Hinkle Building
P. O. Box 10
Roswell, New Mexico 88201

Re: Llano Inc.'s proposed Lusk
Strawn Deep Unit, Lea and
Eddy Counties, New Mexico

Dear Mr. Hinkle:

Please refer to our letter of January 4, 1974, concerning suggested changes in the proposed subject unit agreement. Paragraph 2 of said letter requested changes in lines 1 and 6, on page 26, from the wording "can be produced" to "are produced".

Due to the terms and regulations of Federal leases and Unit Agreements, we are hereby withdrawing this requested change and consent to the wording "can be produced" to be left in the Unit Agreement insofar as it effects this Unit Agreement.

Very truly yours,

RAY D. GRAHAM, Director
Oil and Gas Division

AJA/RDG/s
cc:

Llano, Inc.
P. O. Drawer 1320
Hobbs, New Mexico 88240

United States Geological Survey
P. O. Drawer 1857
Roswell, New Mexico 88201
(ATTENTION: Mr. Carl Traywick)

TYPE LOG OF THE INTERVAL OF UNITIZATION

LUSK STRAWN DEEP UNIT
PRESSURE MAINTENANCE PROJECT
EDDY & LEA COUNTIES, NEW MEXICO

RECOMMENDED VERTICAL INTERVAL OF UNITIZATION

EL PASO NATURAL GAS CO.
LUSK DEEP UNIT No. 2
Unit 0, Sec. 18, T-19-S, R-32-E
NMPM, Lea County, New Mexico

VERTICAL SCALE: 1"=100'

BEFORE EXAMINER STAMETS
OIL CONSERVATION COMMISSION

EXHIBIT NO. 7

CASE NO. 5563-4

Submitted by [Signature]

Hearing Date Oct 8/75

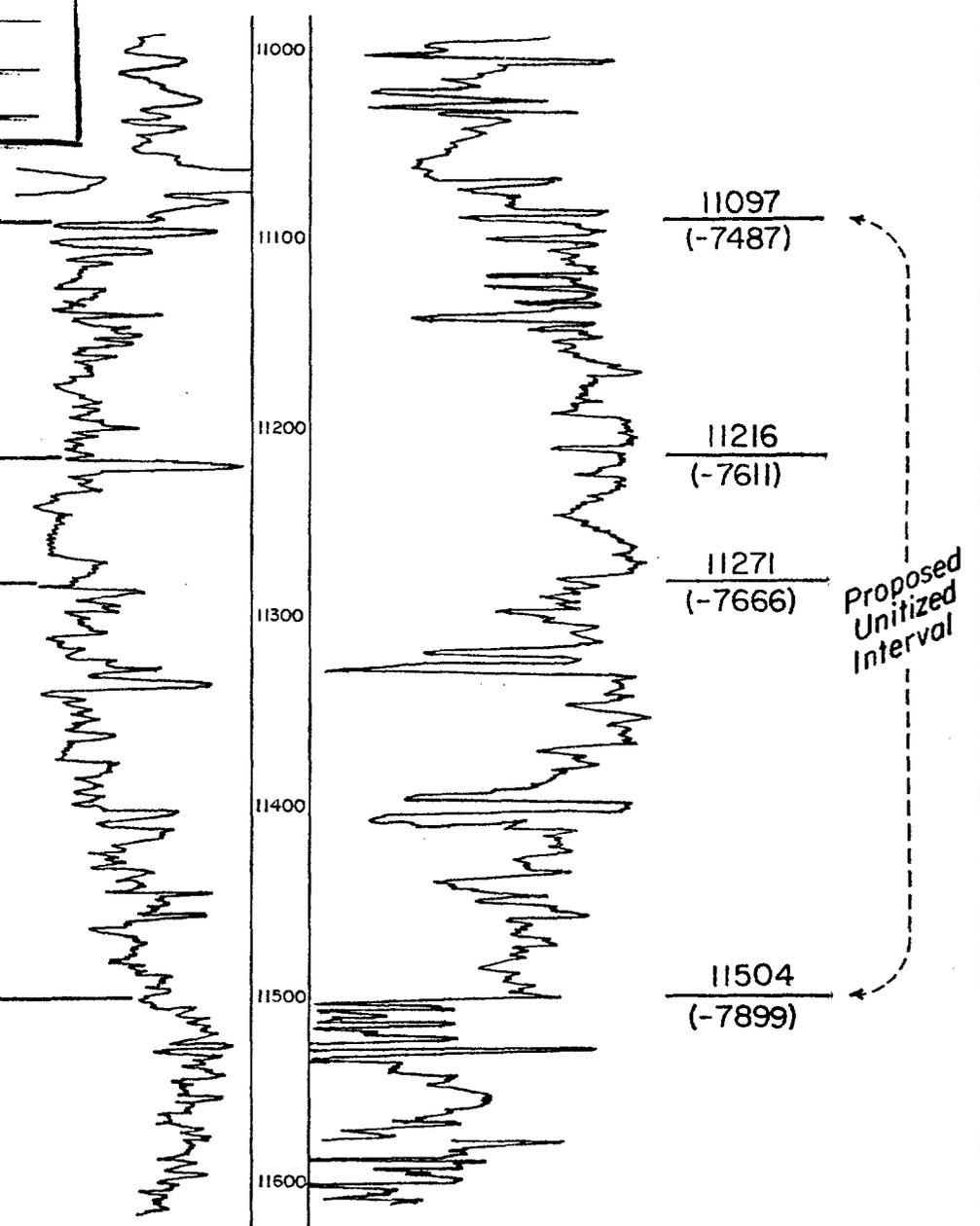
Top Strawn

Top Reef

Base Reef

Base Strawn

Top Atoka



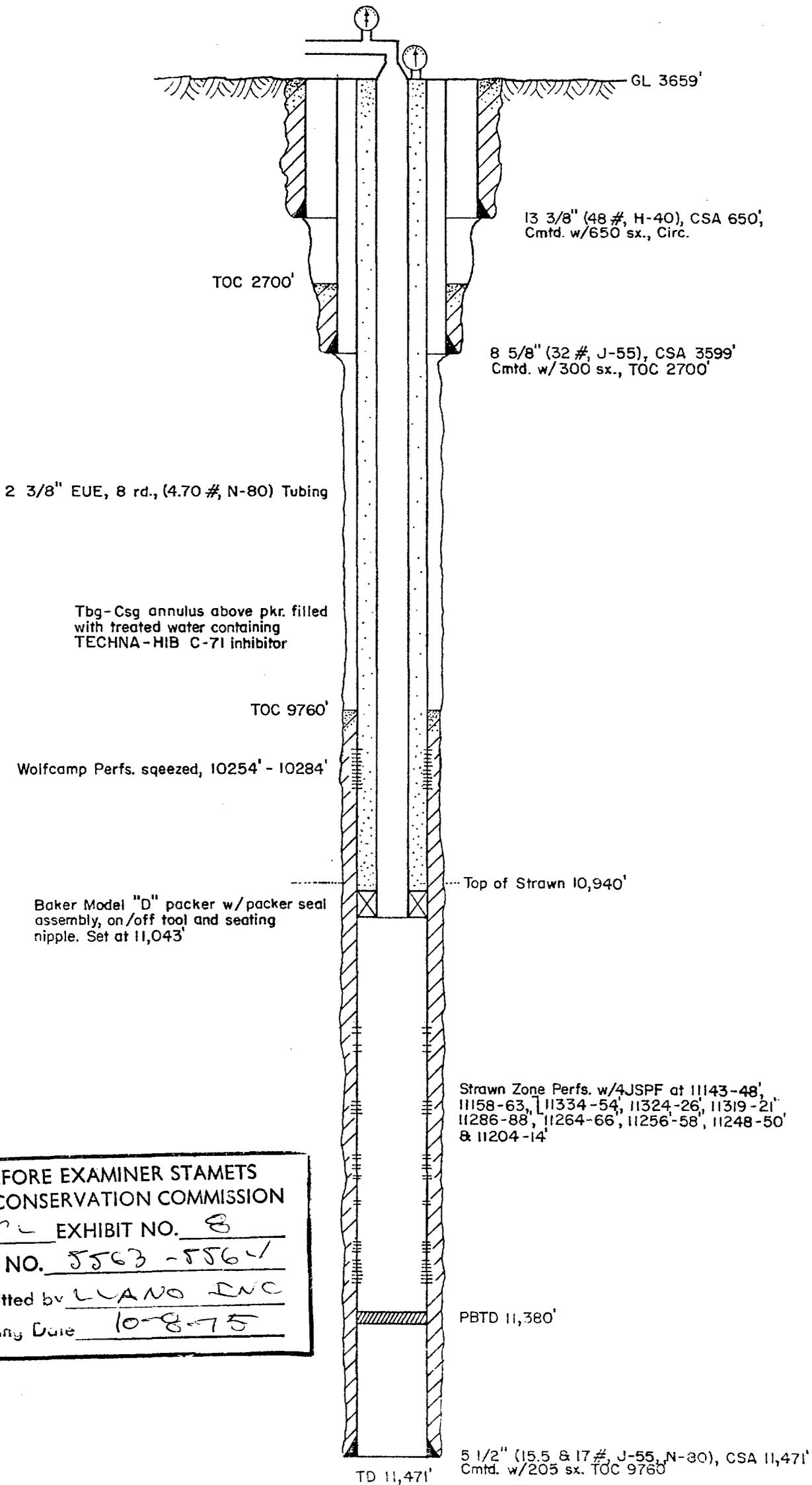
GAMMA RAY - SONIC LOG

Ex. No. 7

LLANO, INC
 LUSK STRAWN DEEP UNIT
 PROPOSED INITIAL INJECTOR

Ex. No. 8

TENNECO OIL COMPANY
 CONTINENTAL FEDERAL UNIT "A" No. 1
 1980' FNL & 1650' FEL, Sec. 6, T-19-S, R-32-E
 NMPM, LEA COUNTY, NEW MEXICO

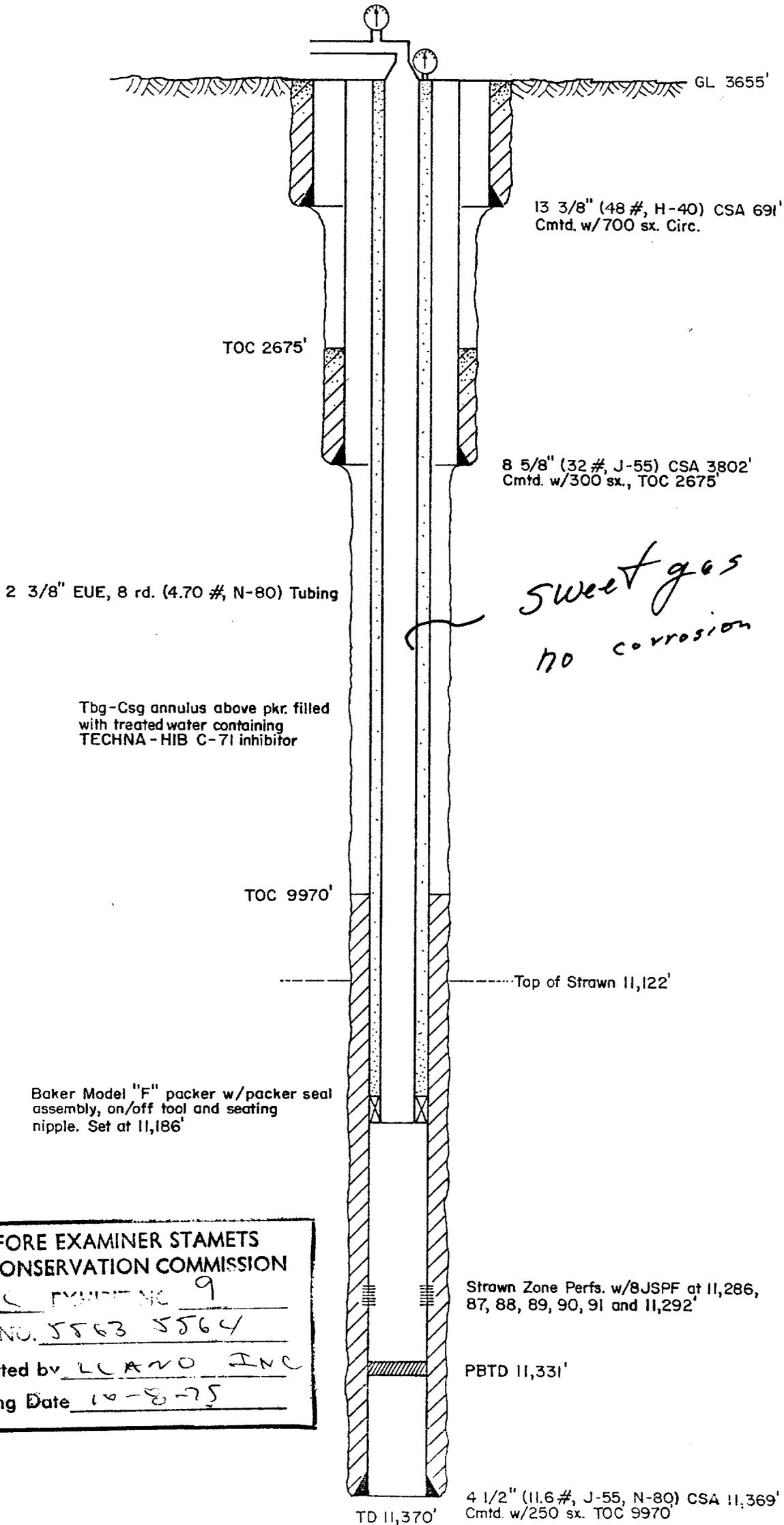


BEFORE EXAMINER STAMETS
 OIL CONSERVATION COMMISSION
 APP. EXHIBIT NO. 8
 CASE NO. 5563-5564
 Submitted by LLANO INC
 Hearing Date 10-8-75

LLANO, INC.
LUSK STRAWN DEEP UNIT
PROPOSED INITIAL INJECTOR

Ex. No. 9

TENNECO OIL COMPANY
CONTINENTAL FEDERAL COM. No. 1
660' FSL & 1980' FEL, Sec. 6, T-19-S, R-32-E
NMPM, LEA COUNTY, NEW MEXICO



*Sweet gas
no corrosion*

BEFORE EXAMINER STAMETS
OIL CONSERVATION COMMISSION
APPC EXHIBIT NO 9
PERMITS 5563 5564
Submitted by LLANO INC
Hearing Date 10-8-75

Ex. No. 12

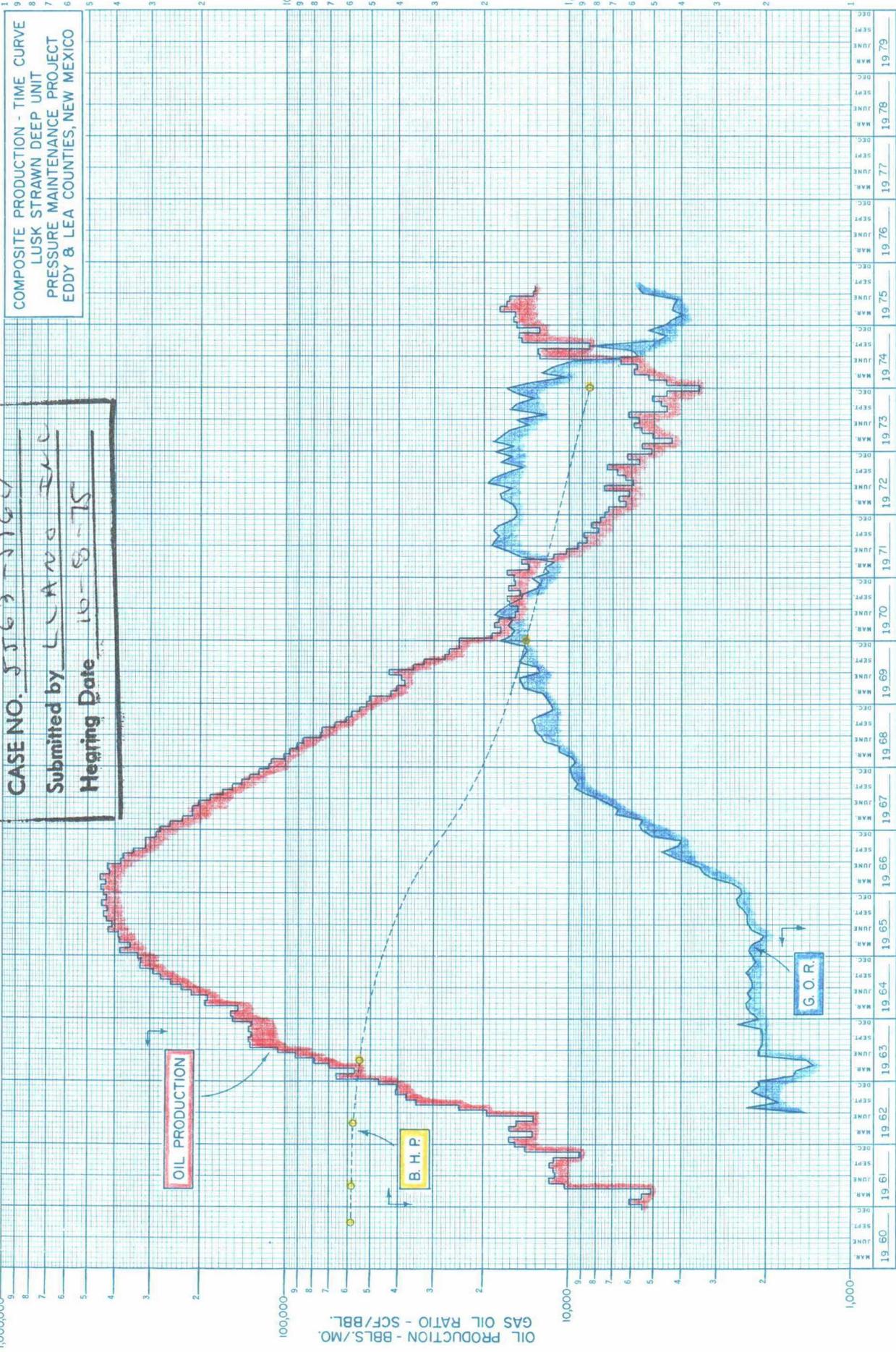
BEFORE EXAMINER STAMETS
OIL CONSERVATION COMMISSION

PPC EXHIBIT NO. 12

CASE NO. 5563-5764

Submitted by LAURO RAL

Hearing Date 10-5-75



AT-7800
RESERVOIR PRESSURE

LUSK STRAWN DEEP UNIT
Lea and Eddy Counties, New Mexico
GENERAL DATA

Reservoir	Strawn Reef
Age	Pennsylvanian
Average Producing Depth	11,300'
Discovery Date	October, 1960
Discovery Well	El Paso Products Lusk Deep A-1
Current Wells	
(August 1, 1975) Strawn	Producing 23
	Shut-Down 16
	P & A 28
	D & A 27
Current Reservoir Producing Rate - August 1, 1975	13,268 BBL/Month
Cummulative Production Total Reservoir - August 1, 1975	18,470,000 BBLs
Cummulative Production Lusk Strawn Deep Unit	18,011,000
Cummulative Production Big Eddy Unit	459,000
Proposed Unit Areal Extent	20,863.88 Acres
Productive Area, Unit	11,461.12 Acres
Reservoir Volume, Unit	352,848.00 Acre-ft.
Average Net Productive Thickness, Unit	30.79 Feet
Reservoir Temperature	169.0° F
Reservoir Pressure, Initial @ - 7800'	5862 psi
Saturation Pressure, @ 169° F	4173 psi
Fluid Properties:	
FVF @ Initial Pressure	2.152
FVF @ Saturation Pressure	2.254
Initial Gravity of the Oil, API	48°
Initial Solution GOR	2359-1
Reservoir Rock Properties:	
Porosity	4.85 percent
Interstitial Water Saturation	30.40 percent
Average Permeability	21.60 millidarcies
Oil Water Contracts - Eastern Flank	
Southeastern	7950
Southern	8000
Southwest	7915
	8000

BEFORE EXAMINER STAMETS
OIL CONSERVATION COMMISSION

APP- EXHIBIT NO. 13

CASE NO. 5563 5564

Submitted by LLANO INC.

Hearing Date 10-8-75

Ex. No. 13

LUSK STRAWN DEEP UNIT
Lea and Eddy Counties, New Mexico
LLANO, INC.

CALCULATIONS OF ORIGINAL OIL-IN-PLACE, BY:

I. MATERIAL BALANCE:

$$\text{Composite Compressibility} = C_e = \frac{C_o S_o + C_w S_w + C_f}{S_o}$$

$$C_o @ 5017 \text{ psi (average pressure orig. to bubble point)} = 26.0 \times 10^{-6}$$

$$C_w @ 5017 \text{ psi and } 169^\circ \text{F} = 3.2 \times 10^{-6}$$

$$C_f, \text{ Penn Reef, porosity } 4.85\% = 6.5 \times 10^{-6}$$

$$S_w = .304, S_o = .696$$

$$C_e = \frac{(26)(0.696) + (3.2)(0.304) + 6.5}{0.696} \times 10^{-6} = 36.7 \times 10^{-6}$$

$$N = \frac{N_p B_o + (W_p - W_e)}{C_e (P_i - P_{bp}) B_{oi}}$$

N = Original Oil-in-Place

N_p = Production to B_p = 3.2 x 10⁶

B_o = FVF @ B_p = 2.254

W_p = Water Prod = 0

W_e = Influx = 0

C_e = Composite Compressibility

P_i = Orig. press = 5862

P_{bp} = Bubble point

Press = 4173

B_{oi} = Initial FVF = 2.152

$$N = \frac{3.2 \times 10^6 \times 2.254 + 0}{36.7 \times 10^{-6} (5862 - 4173) \times 2.152} = \frac{7.2128 \times 10^6}{133394.5 \times 10^{-6}} = 54.1 \text{ Million Barrels}$$

II. VOLUMETRIC:

Porosity = 4.85%

Sw = 30.40%

B_{oi} = 2.152

Reservoir Volume = 363493 AF Total

Lusk Strawn Deep Unit = 352848 AF or 97.1%

$$\frac{7758 \times 1 - S_w \times \emptyset}{B_{oi}} = \text{BBLS/AF Original-in-Place}$$

$$\frac{7758 \times .696 \times .0485}{2.152} = 122$$

TOTAL RESERVOIR:

$$363493 \times 122 = 44.2 \text{ Million Barrels Original-in-Place}$$

LUSK STRAWN DEEP UNIT AREA:

$$352848 \times 122 = 43.0 \text{ Million Barrels Original-in-Place}$$

NOTE: Elected to use material balance calculation of 54.1 Million Barrels as Original Oil-in-Place.

BEFORE EXAMINER STAMETS	
OIL CONSERVATION COMMISSION	
APPC	EXHIBIT NO. <u>14</u>
CASE NO. <u>5563 5564</u>	
Submitted by <u>LLANO INC</u>	
Hearing Date <u>10-8-78</u>	

Ex. No. 14

LUSK STRAWN DEEP UNIT - PRESSURE MAINTENANCE PROJECT
 Lea and Eddy Counties, New Mexico

1000's Stock Tank Barrels
Estimated Additional Recovery by Pressure Maintenance

		<u>% OOIP</u>	<u>Cum. %</u>
Original Oil-in-Place	54,100	100.0	-
Cumulative Recovery August 1, 1975	18,470	34.1	34.1
Remaining Oil-in-Place	35,630	65.9	-
Future Primary Recovery August 1, 1975	498	0.9	35.0
Future Pressure Maintenance Recovery Oil	4,762	8.8	43.8
Future Recovery, NGL	3,756	6.9	50.7
Total Future Recovery Oil, NGL	9,016	16.6	-

Increase Due to Unitization and Pressure Maintenance Project $\frac{9016-498}{54100} = 15.7\%$
 (Excluding 1,444,000 BBLs NGL From Extraneous Gas)

NOTE: Above determination predicates a cycling rate of 60 MMCFD with reservoir operating at 4000 psi with cumulative injection of 345 BCF over a 16 year period.

BEFORE EXAMINER STAMETS OIL CONSERVATION COMMISSION	
<u>Oil</u>	EXHIBIT NO. <u>15</u>
CASE NO. <u>5563-4</u>	
Submitted by <u>Stamets</u>	
Hearing Date <u>01/28/75</u>	

Ex. No. 15

LUSK STRAWN DEEP UNIT - PRESSURE MAINTENANCE PROJECT
Lea and Eddy Counties, New Mexico

Estimated Future Production @ 60 MMCFD Injection
1000's Barrels

Year	(1) Crude Oil Unit Recovery	(2) Natural Gas Liquids Plant Recovery	(3) NGL To Unit	(4) Oil and NGL To Unit
1	200	244 ⁽⁵⁾	-	200
2	350	400 ⁽⁵⁾	-	350
3	760	400 ⁽⁵⁾	-	760
4	785	400 ⁽⁵⁾	-	785
5	815	567	255	1070
6	550	500	225	775
7	390	444	200	590
8	280	422	190	470
9	220	400	180	400
10	190	378	170	360
11	170	356	160	330
12	150	356	160	310
13	130	222	100	230
14	120	111	50	170
15	100	-	-	100
16	50	-	-	50
Total	5260	5200	1690	6950

*Not
0 but
actual
res prod*

100% plant prod

- (1) Includes primary and pressure maintenance recoveries.
- (2) Total liquids recovered in Plant.
- (3) Allocation of 45% of plant liquids to unit.
- (4) Total recovery to unit: column (1) plus column (3).
- (5) Liquids recovered from extraneous gas total 1,444,000 BBLS as a result of implementation of project.

Economics Accruing to Unit

Average Annual Rate of Return, % 14.0
Payout Period, Years 4.5
Number of Times Investment Returned 1.5

BEFORE EXAMINER STAMETS
OIL CONSERVATION COMMISSION
g/h EXHIBIT NO. 16
CASE NO. 5563-4
Submitted by [Signature]
Hearing Date Oct 8/75

Ex. No. 16

PAN GEO ATLAS CORP.

PGAC Acoustic-Gamma-Caliper Log

FILE NO.	COMPANY <u>TENNECO OIL COMPANY</u>		
	WELL <u>USA CONTINENTAL "A" NO. 1</u>		
	FIELD <u>LUSK STRAWN</u>		
	COUNTY <u>LEA</u>	STATE <u>NEW MEXICO</u>	
	LOCATION	Other Services	
	1980' FNL, 1650' FEL		
	SEC <u>6</u>	TWP <u>19-S</u>	RGE <u>22-E</u>
Permanent Datum	<u>GROUND LEVEL</u>	Elev. <u>7</u>	Elevations: KB <u>2</u>
Log Measured from	<u>KELLY BUSHING 16.8 Ft. Above Permanent Datum</u>		DF <u>3675.0</u>
Drilling Measured from	<u>KELLY BUSHING</u>		GL <u>2</u>
Date	<u>9-3-64</u>		
Run No.	<u>ONE</u>		
Total Depth Driller	<u>11436</u>		
Total Depth PGAC	<u>11438</u>		
Bottom Logged Interval	<u>11432</u>		
Casing Driller	<u>3599</u>		
Casing PGAC	<u>3598</u>		
Footage Logged	<u>11432</u>		
Mud Type	<u>SALT BASE</u>		
Density	Visc	<u>10.0 34</u>	
Max. Temp. (F) <u>151 F</u>			
Rec. To Rec. Spacing <u>1.0' & 3.0'</u>			
Trans. To Rec. Spcg. <u>4.0'</u>			
Logging Instrument <u>TEL83-ATS-128</u>			
Equip. No. <u>SS-103</u>			
Recorded By <u>BOB MOODY</u>			
Witnessed By <u>MR. COLLINS</u>			

BORE HOLE RECORD			CASING RECORD			
Bit Size	From	To	Csg. Size	Csg. Wt.	From	To
17 1/2	SURFACE	650	12 3/8	-	SURFACE	650
11	650	3600	8 5/8	-	SURFACE	3599
7 7/8	3600	11436				

Reproduced By
West Texas Electrical Log Service
 Dallas 2, Texas

REFERENCE **W4904K**

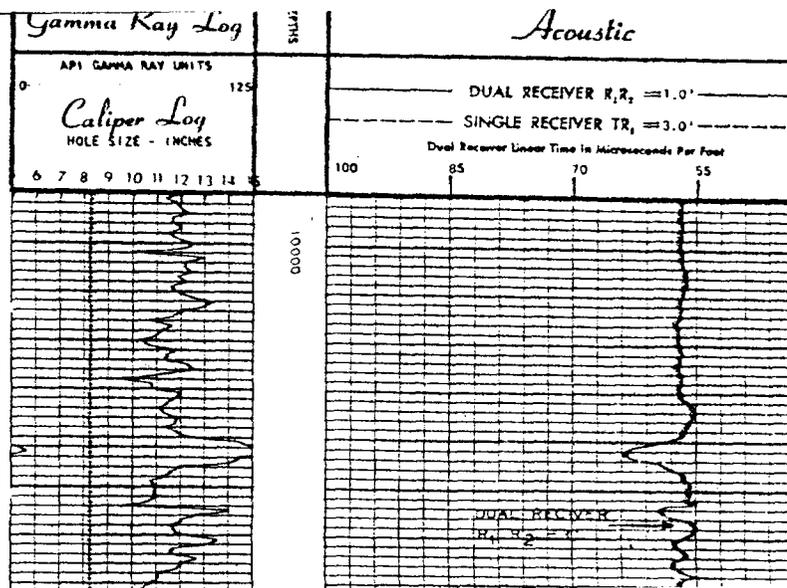
18 COMPLETION RECORD

SPUD DATE _____

COMP DATE _____

DST RECORD _____

EX. No. 10



SCHLUMBERGER

SONIC LOG - GAMMA RAY

WITH CALIPER

SCHLUMBERGER WELL SURVEYING CORPORATION
Houston, Texas

COUNTY FIELD or LOCATION WELL COMPANY	LLA	USA CONTINENTAL #1	COMPANY	TENNECO OIL COMPANY
	LUSK STRAWN	LUSK STRAWN	WELL	USA CONTINENTAL #1
	USA CONTINENTAL	LUSK STRAWN	FIELD	LUSK STRAWN
	71	LUSK STRAWN	COMPANY	TENNECO OIL CO
	LEA	NEW MEXICO	COUNTY	LEA
	660' FSL 1980' FEL	Other Services	LOCATION	11L-PML-FT
	Sec. 6 Twp. 19-S. Rge. 32-E			
Permanent Datum: GROUND LEVEL, Elev. 3654.5		Elev.: K.B. 3672.6		
Log Measured From K.B. 13 Ft. Above Perm. Datum		D.F. 3671		
Drilling Measured From K.B.		G.L. 3654.5		
Date	7-3-64			
Run No.	ONE			
Depth—Driller	11370			
Depth—Logger	11372			
Btm. Log Interval	11363			
Top Log Interval	18			
Casing—Driller	8-5/8" @ 180'			
Casing—Logger	3802			
Bit Size	7-7/8"			
Type Fluid in Hole	CHEM. GEL			
Dens. / Visc.	9.6 / 19			
pH / Fluid Loss	10.5 / 12 ml			
Source of Sample	CIRCULATED			
R ₁ @ Meas. Temp.	85 @ 90 °F			
R ₂ @ Meas. Temp.	725 @ 91 °F			
R ₃ @ Meas. Temp.	1.2 @ 91 °F			
Source: R ₁ R ₂	M M			
R ₃ @ BHT	52 @ 148 °F			
Time Since Circ.	--			
Max. Rec. Temp.	148 °F			
Equip. / Location	2524 ART			
Recorded By	VAHN			
Witnessed By	EATON-DESARIER-COLLINS			

Reproduced By

West Texas Electrical Log Service

Dallas 2, Texas

REFERENCE W4966M



18 COMPLETION RECORD

SPUD DATE _____

COMP DATE _____

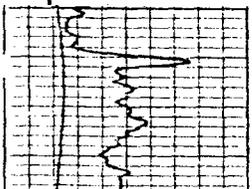
DST RECORD _____

Ex. No. 11

DETAIL LOG

5"=100'

GAMMA RAY API UNITS		DEPTHS	INTERVAL TRANSIT TIME MICROSECONDS PER FOOT	
0	125		120	T. 3. 2. 2. 40
125	250	160	77	105
CALIPER HOLE DIAM. IN INCHES			130	
RECORDED 7' SHALLOW				



LUSK STRAWN DEEP UNIT
PROJECT AREA

Recommendations for Special Rules and Regulations for the - Llano, Inc. Lusk Strawn Deep Unit Pressure Maintenance Project and Unit Area:

- Rec. 1. Rules and regulations for Lusk Strawn Pool outside of project area be retained as written in Order No. R-2175-B.
- Rec. 2. The project area of the Llano, Inc. Lusk Strawn Deep Unit consisting of 1760 Acres shall be described as follows:

LEA COUNTY, NEW MEXICO

Township 18 South, Range 32 East, NMPM

Section 31: SE/4
Section 32: SW/4

Township 19 South, Range 32 East, NMPM

Section 5: W/2
Section 6: E/2
Section 7: N/2
Section 8: W/2

EDDY COUNTY, NEW MEXICO

Township 19 South, Range 31 East, NMPM

Section 12: NE/4

- Rec. 3. The allowable for the project shall be the sum of the allowables of the several wells within the project area including those wells which are shut-in, curtailed or used as injection wells. Allowables for all wells shall be determined as hereafter prescribed.
- Rec. 4. Allowables for injection, shut-in or curtailed wells may be transferred to producing wells in the interest of performance efficiencies.
- Rec. 5. The allowable assigned to any injection well on a 160 Acre proration unit shall be top unit allowable for the Lusk Strawn Pool.

- Rec. 6. The allowable assigned to any well which is shut-in or curtailed in accordance with Rec. 4. above which allowable is to be transferred to any well or wells within the project area for production, shall in no event be greater than its ability to produce during the test period prescribed in Rec. 7., below, nor will it be any greater than the top unit allowable for the Pool during the month of transfer, whichever is less.
- Rec. 7. The allowable assigned to any well which is shut-in or curtailed in accordance with Rec. 4. above shall be determined by a 24 hour test at a stabilized production rate which shall be the final 24 hour period of a 72 hour test during which time the well shall be produced under constant conditions. The daily tolerance limitation set forth in Commission Rule 502-I-a and the limiting GOR, if any, shall be waived during such tests. The Lusk Strawn Deep Unit project operator shall notify all operators offsetting the well, as well as the Commission, of the exact time such tests are to be conducted. Tests may be witnessed by representatives of offset operators and the Commission.
- Rec. 8. The allowable assigned to each producing well in the project area shall be equal to the well's ability to produce or to top unit allowable for the Lusk Strawn Pool, whichever is less, provided that any producing well or wells within the project area which evidence substantial response to gas injection shall be permitted to produce up to the project allowable or any proportion thereof. Each producing well within the project area shall be exempt from the Lusk Strawn Pool limiting gas-oil-ratio of 4000 - 1.
- Rec. 9. The conversion of additional producing or shut-in wells to injection and the expansion of the project area shall be by application and through administrative approval procedures of the Commission.