

CASE 5620: CHAMPLIN PET. CORP.
FOR A WATERFLOOD PROJECT, ROOSE-
VELT COUNTY, NEW MEXICO

any

CASE NO.

5620

APPLICATION,
TRANSCRIPTS,
SMALL EXHIBITS,

ETC.

NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARING

SANTA FE, NEW MEXICO

Hearing Date

FEBRUARY 4, 1976

TIME: 9:00 A.M.

NAME	REPRESENTING	LOCATION
A. L. Harris	Harris & Walton	Midland, Texas
H. L. Kendrick	El Paso Natural Gas Co.	El Paso
Paul W. Burchell	El Paso Natural Gas Co.	El Paso
Anchor Ekholm	El Paso Natural Gas Co.	El Paso
JOHN HUNTER	Amoco Production Co.	HOUSTON
Guy BUELL	✓	✓
Don C. Cordie	Champion Petroleum Co.	Midland, Tex
E. F. MOTTEN	CITIES SERVICE OIL CO	MIDLAND
DON CATROW	" " "	MIDLAND
Rod Anderson	" " "	midland TX
NEIL BECK	EL PASO NATURAL GAS CO.	EL PASO
John E. Hunter	Bill Ross	Roswell
Tom Kellshin	KELLSHIN & FOX	Santa Fe
E. H. BALCH	CHAMPLIN PETRO	FT. WORTH
Ken Bateman	White Rock Kelly & McCarty	Santa Fe
George Patterson	Texaco	Midland
Carl Matthews	El Paso Natural Gas Co.	Farmington, N.M.
Walter W. Knap	Waller Prod & Ref Co.	Midland
John J. Erickson Jr.	El Paso Natural Gas Co.	Santa Fe

sid morriss reporting service
General Court Reporting Service
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
Phone (505) 982-9212

Page 1

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
February 4, 1976

EXAMINER HEARING

IN THE MATTER OF:

Application of Champlin Petroleum
Company for a waterflood project,
Roosevelt County, New Mexico.

CASE
5620

BEFORE: Richard L. Stamets, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil
Conservation Commission:

William F. Carr, Esq.
Legal Counsel for the Commission
State Land Office Building
Santa Fe, New Mexico

For the Applicant:

W. Thomas Kellahin, Esq.
KELLAHIN & FOX
Attorneys at Law
500 Don Gaspar
Santa Fe, New Mexico

sid morrish reporting service

General Court Reporting Service
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
Phone (505) 982-9212

Page 2

I N D E X

Page

DON C. CONDIE

Direct Examination by Mr. Kellahin

3

Cross Examination by Mr. Stamets

9

EXHIBIT INDEX

Page

Applicant's Exhibit No. One, Map

9

Applicant's Exhibit No. Two, Well Production

9

Applicant's Exhibit No. Three, Well Production

9

Applicant's Exhibit No. Four, Neutron Log

9

Applicant's Exhibit No. Five, Diagram

9

Applicant's Exhibit No. Six, Water Analysis

9

Applicant's Exhibit No. Seven, Waiver

9

Applicant's Exhibit No. Eight, Waiver

-

1 MR. STAMETS: The hearing will come to order, please
2 We will call first Case 5620.

3 MR. CARR: Case 5620, application of Champlin
4 Petroleum Company for a waterflood project, Roosevelt County,
5 New Mexico.

6 MR. STAMETS: Call for appearances in this case.

7 MR. KELLAHIN: Tom Kellahin of Kellahin and Fox,
8 Santa Fe, New Mexico appearing on behalf of Champlin and I
9 have one witness.

10 MR. STAMETS: Will you stand and be sworn, please?

11 (THEREUPON, the witness was duly sworn.)

12
13 DON C. CONDIE

14 called as a witness, having been first duly sworn, was
15 examined and testified as follows:

16
17 DIRECT EXAMINATION

18 BY MR. KELLAHIN:

19 Q Please state your name, by whom employed and in what
20 capacity?

21 A I'm Don Condie, I'm employed by Champlin Petroleum
22 Company as the district engineer in West Texas and New Mexico.

23 Q Mr. Condie, have you previously testified before this
24 Commission and had your qualifications as an expert witness
25 accepted and made a matter of record?

sid morrish reporting service
General Court Reporting Service
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
Phone (505) 982-9212

1 A. I have.

2 Q. And are you familiar with the facts surrounding
3 this particular application?

4 A. Yes, I am.

5 MR. KELLAHIN: If the Examiner please, are the
6 witness's qualifications acceptable?

7 MR. STAMETS: They are.

8 Q. (Mr. Kellahin continuing.) Mr. Condie, would you
9 refer to what has been marked as Applicant's Exhibit Number
10 One, identify it and state briefly what Champlin is seeking?

11 A. Exhibit Number One shows the proposed waterflood
12 project that consists of a half a section in the east half
13 of Section 30, Township 7 South, Range 33 East, Roosevelt
14 County, New Mexico. This application, in effect, is an
15 expansion of an existing waterflood project and we have
16 denoted the expansion by the red outlined area. The proposed
17 injector is shown in the southeast-southeast quarter. It
18 consists of one injection well, the Number 4 Farrell Federal
19 Number 1. The Farrell Federal lease is owned and operated
20 by Champlin, the ownership fifty percent Champlin, fifty
21 percent Warren-American. The yellow area denotes other
22 Champlin-operated properties.

23 The waterflood project in Section 29 and 32 was
24 established by Order Number 3550 and 3550-A and it consists
25 of five injectors.

1 Another injector, Number 13, in the southeast-
2 southwest of 29, has been proposed and has been approved
3 as another injector.

4 We will show that the east half of Section 30 in
5 effect is a marginally economic project and we hope to expand
6 our waterflood project and make it an economic venture as we
7 have shown in both 29 and 30 as an economic venture.

8 Q Sections 32, 30 and 29 are all composed of Federal
9 leases are they not?

10 A They are, yes.

11 Q Please refer to Exhibit Number Two and identify it?

12 A Exhibit Two shows the Farrell Federal lease production
13 from 1966, which peaked at thirty-eight hundred barrels a
14 month, went to a low of two hundred and eighty barrels a month
15 in 1973, at which point four wells had been shut in. With
16 the advent of the stripper oil price in '73, we put four wells
17 back on, achieved a thousand-barrel-a-month rate. It since
18 has declined to a three-hundred-barrel-a-month level and
19 currently four wells are producing and three wells are shut
20 in.

21 Q Okay. Your proposed injection well is the Farrell
22 Federal Number 4?

23 A Yes.

24 Q What is its current status?

25 A It is currently shut in.

sid morish reporting service
General Court Reporting Service
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
Phone (505) 982-9212

1 Q When was it shut in?

2 A It was shut in in August of '74.

3 Q Please refer to Exhibit Number Three and identify
4 it?

5 A Exhibit Three is an individual well production
6 showing the production from the Farrell Federal lease and
7 the offset wells to the proposed injection well. The asterisk
8 denotes those diagonally and directly offset wells to the
9 Number 4. The production from the Farrell Federal lease
10 currently is ten barrels a day of oil, fourteen of water,
11 three point one MCF of gas.

12 As noted, the three uneconomic shut in oil wells,
13 the State 32 Number 13 Well, offsetting is a water injection
14 well, it's the Lock Federal on the State 32 lease. The other
15 State well operated by Mr. Snider is an uneconomic oil well
16 and the southeast diagonal is an undrilled location owned
17 by Milford Pipe.

18 Q Please refer to Exhibit Number Four and identify
19 it?

20 A Exhibit Number Four shows a portion of a neutron
21 log, which was the only log run on this subject, proposed
22 injection well. It shows the currently perforated interval
23 from forty-one, eighty-eight to forty-three, ninety-nine and
24 it shows the porosity development in that well.

25 Q And that will be converted and those will be your

sid morrison reporting service

General Court Reporting Service
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
Phone (505) 982-9212

sid morish reporting service
 General Court Reporting Service
 825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
 Phone (505) 982-9212

1 injection intervals?

2 A. That's right.

3 Q. Please identify Exhibit Number Five?

4 A. Exhibit Number Five is a diagram of the proposed
 5 injection well, showing the eight-and-five-eighths-inch casing
 6 at three hundred and seventy-one feet, the four-and-a-half
 7 casing set at forty-four, fifty feet, the San Andres perfora-
 8 tions from forty-one, eighty-eight to forty-three, ninety-nine,
 9 twenty holes. We have an estimated top of the cement at three
 10 thousand feet. Champlin proposes to run two-and-three-eighths
 11 internally coated plastic tubing with a tension-type packer
 12 and corrosion inhibited fresh water in the annulus space. We
 13 will be injecting a minimum of two hundred barrels a day into
 14 the well, a maximum of six hundred barrels a day and an
 15 anticipated or expected volume of three hundred barrels a day
 16 at injection pressures of a maximum of a thousand pounds and
 17 expected of five hundred pounds. We will monitor the pressure
 18 in the annular and the tubing with pressure gauges.

19 Q. What is the source of the water which you propose
 20 to inject into the well?

21 A. Our source of water is the San Andres water produced
 22 from the Champlin leases.

23 Q. Okay. Please identify Exhibit Number Six?

24 A. Exhibit Number Six is a water analysis showing the
 25 salinity of the water is unfit for domestic use and essentially

sid morrison reporting service
 General Court Reporting Service
 825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
 Phone (505) 982-9212

1 it is the water from our produced properties.

2 Q Okay. Please refer to Exhibit Number Seven?

3 A Exhibit Number Seven is a waiver, I'm not sure if
 4 you have this or not.

5 Q This is from Milford Pipe?

6 A This is a waiver from the Milford Pipe and Supply,
 7 waiving any objection to our proposed flood and injector.

8 Q And Exhibit Number Eight?

9 A Exhibit Number Eight is a waiver from Mr. Snider
 10 waiving any objection to our application.

11 Q In your opinion, Mr. Condie, will the proposed
 12 injection well, as proposed on Exhibit Five, be completed in
 13 such a manner as to protect any potential fresh water sources
 14 from contamination?

15 A I believe they will.

16 Q In your opinion, Mr. Condie, will the granting of
 17 this application be in the best interests of conservation,
 18 the prevention of waste and the protection of correlative
 19 rights?

20 A Yes.

21 Q And were Exhibits One through Seven either prepared
 22 by you or compiled under your direction and supervision?

23 A Yes, they were.

24 MR. KELLAHIN: If the Examiner please, we move the
 25 introduction of Exhibits One through Seven.

MR. STAMETS: These exhibits will be admitted.
(THEREUPON, Applicant's Exhibits One
through Seven were admitted into evidence.)
MR. KELLAHIN: That concludes our direct.

CROSS EXAMINATION

BY MR. STAMETS:

Q Mr. Condie, did you say that the maximum injection
pressure will be a thousand psi?

A We have a system designed to go up to about seventeen
hundred pounds but we haven't hit anything with our existing
project above about a nine hundred pound so we anticipate a
thousand maximum. Currently we are injecting at five or six
hundred pounds or less.

Q Even at seventeen hundred pounds that would be less
than half a pound for foot of depth?

A Yes, it is and the reason the bottom-hole pressures
are so low and the volume of water produced to the water
injection, we're not making up any additional volumes so the
reservoir pressure will not reach a point where we think we
will need the fifteen hundred pound range, or even a thousand
pound range.

Q Have you reviewed the completion records of the wells
immediately offsetting this well to determine that the water
that you are injecting here won't escape to other formations

sid morish reporting service
General Court Reporting Service 87501
825 Calle Mejia, No. 122, Santa Fe, New Mexico
Phone (505) 982-9212

1 through those wells?

2 A Yes, essentially they are all completed in the
3 San Andres in four benches of porosity. They vary in the
4 perforated intervals but there are no other perforations other
5 than the San Andres formation.

6 Q There are no deeper wells in the area?

7 A No.

8 Q What about fresh water, are there fresh water wells
9 in the area, to your knowledge?

10 A Very small, two or three barrels a day wells for
11 domestic cattle. There are a few ranches and very shallow water
12 source and very limited.

13 Q Do you have field personnel there regularly who
14 report any problems with this well or the offsetting wells?

15 A Yes, we have a pumper who visits the leases daily.

16 MR. STAMETS: Any other questions of the witness?

17 He may be excused.

18 (THEREUPON, the witness was excused.)

19 MR. STAMETS: Anything further in this case?

20 MR. KELLAHIN: No, sir.

21 MR. STAMETS: We will take the case under advise-
22 ment.

23

24

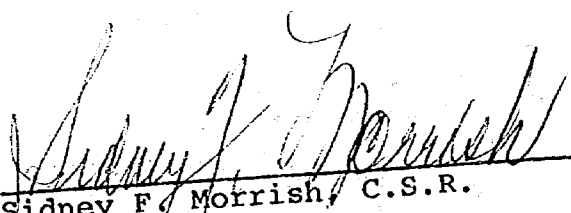
25

sid morish reporting service
General Court Reporting Service
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
Phone (505) 982-9212

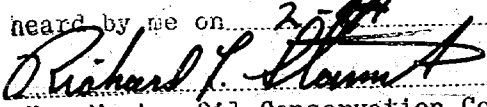
Page 11

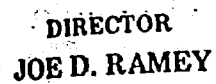
REPORTER'S CERTIFICATE

I, SIDNEY F. MORRISH, a Certified Shorthand Reporter,
do hereby certify that the foregoing and attached Transcript
of Hearing before the New Mexico Oil Conservation Commission
was reported by me, and the same is a true and correct record
of the said proceedings to the best of my knowledge, skill and
ability.


Sidney F. Morrish, C.S.R.

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 5620,
heard by me on 2-5-64, 1974.


Richard L. Stamm, Examiner
New Mexico Oil Conservation Commission



STATE OF NEW MEXICO
P. O. BOX 2088 - SANTA FE
87501

**LAND COMMISSIONER
PHIL R. LUCERO**



STATE GEOLOGIST
EMERY C. ARNOLD

Mr. Tom Kellahin
Kellahin & Fox
Attorneys at Law
Post Office Box 1769
Santa Fe, New Mexico

Re: CASE NO. 5620
ORDER NO. R-5166

Applicant:

Champlin Petroleum Company

Dear Sir:

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

Yours very truly,

JOE D. RAMEY
Director

JDR/fd

Copy of order also sent to:

Hobbs OCC x
Artesia OCC
Aztec OCC

Other

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. 5620
Order No. R-5166

APPLICATION OF CHAMPLIN PETROLEUM
COMPANY FOR A WATERFLOOD PROJECT,
ROOSEVELT COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on February 4, 1976,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 24th day of February, 1976, 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, Champlin Petroleum Company, seeks
authority to institute a waterflood project on its Farrell
Federal Lease, Chaveroo-San Andres Pool, by the injection of
water into the San Andres formation through its Farrell Federal
Well No. 4, located in Unit P of Section 30, Township 7 South,
Range 33 East, NMPM, Roosevelt County, New Mexico.

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

(4) That the proposed waterflood project should result
in the recovery of otherwise unrecoverable oil, thereby preventing
waste.

(5) That the operator should take all steps necessary,
including limitation of well head pressure, to ensure that the
injected water enters only the proposed injection interval and
is not permitted to escape to other formations or onto the
surface from injection, production, or plugged and abandoned
wells.

-2-

Case No. 5620

Order No. R-5166

(6) That the subject application should be approved and the project should be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

IT IS THEREFORE ORDERED:

(1) That the applicant, Champlin Petroleum Company, is hereby authorized to institute a waterflood project on its Farrell Federal Lease, Chaveroo-San Andres Pool, by the injection of water into the San Andres formation through its Farrell Federal Well No. 4, located in Unit P of Section 30 in Township 7 South, Range 33 East, NMPM, Roosevelt County, New Mexico.

(2) That injection into said well shall be at pressures no greater than 2,200 psi at the wellhead; that injection shall be through internally coated tubing, set in a packer which shall be located as near as practicable to the uppermost perforation; and that the casing-tubing annulus of the injection well shall be loaded with an inert fluid and equipped with an approved pressure gauge or attention-attracting leak detection device.

(3) That the operator shall immediately notify the supervisor of the Commission's Hobbs district office of the failure of the tubing or packer in any of said injection wells, the leakage of water or oil from around any producing well, or the leakage of water or oil from any plugged and abandoned well within the project area and shall take such timely steps as may be necessary or required to correct such failure or leakage.

(4) That the subject waterflood project is hereby designated the Champlin Chaveroo Farrell Waterflood Project and shall be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

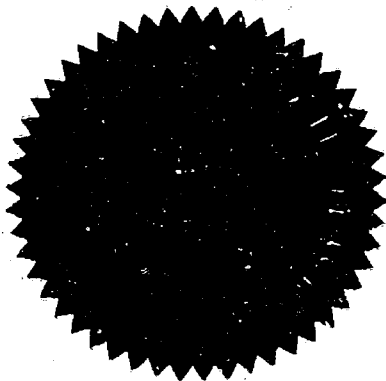
(5) That monthly progress reports of the waterflood project herein authorized shall be submitted to the Commission in accordance with Rules 704 and 1120 of the Commission Rules and Regulations.

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

-3-

Case No. 5620
Order No. R-5166

DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.



STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

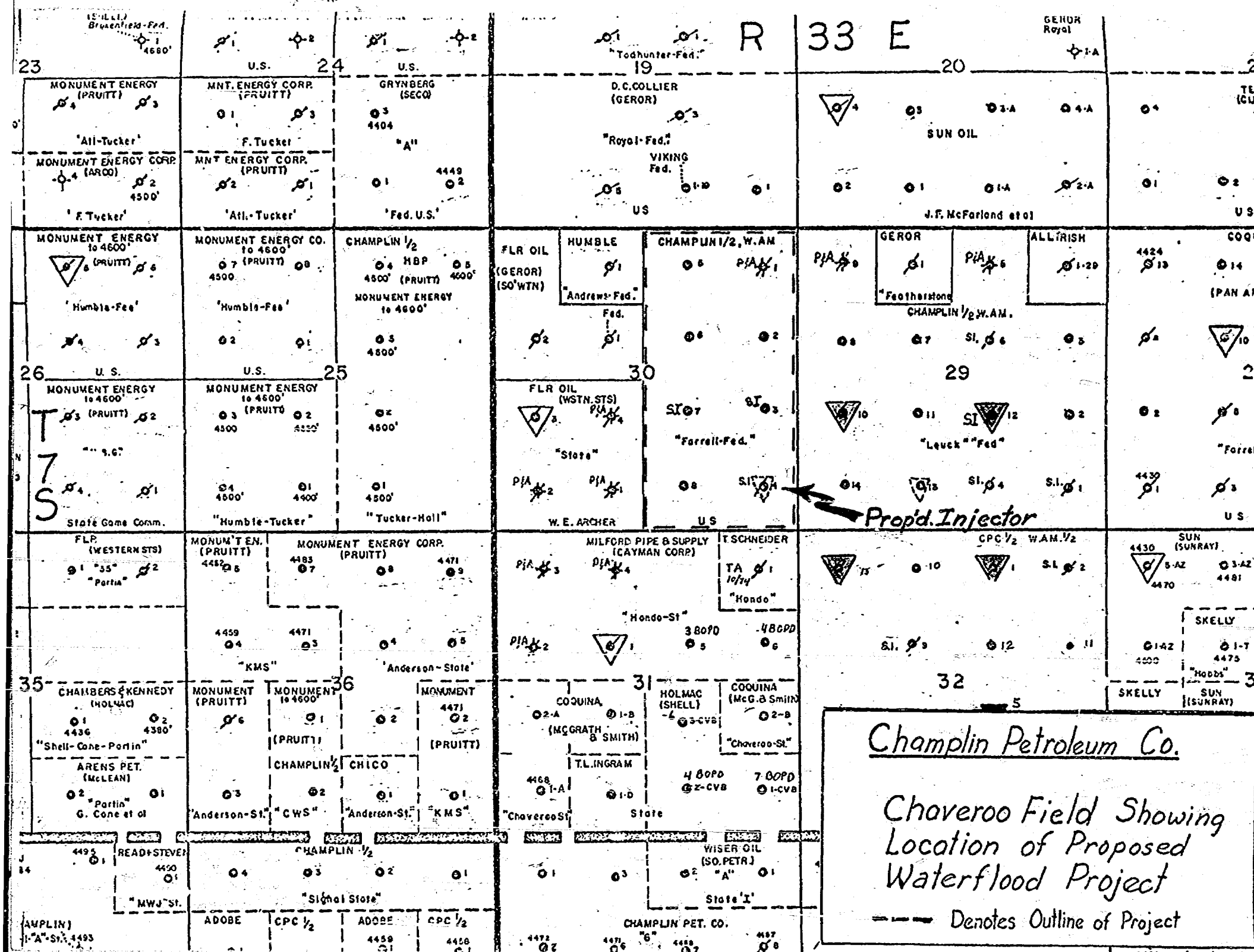
Phil R. Lucero
PHIL R. LUCERO, Chairman

Emery C. Arnold
EMERY C. ARNOLD, Member

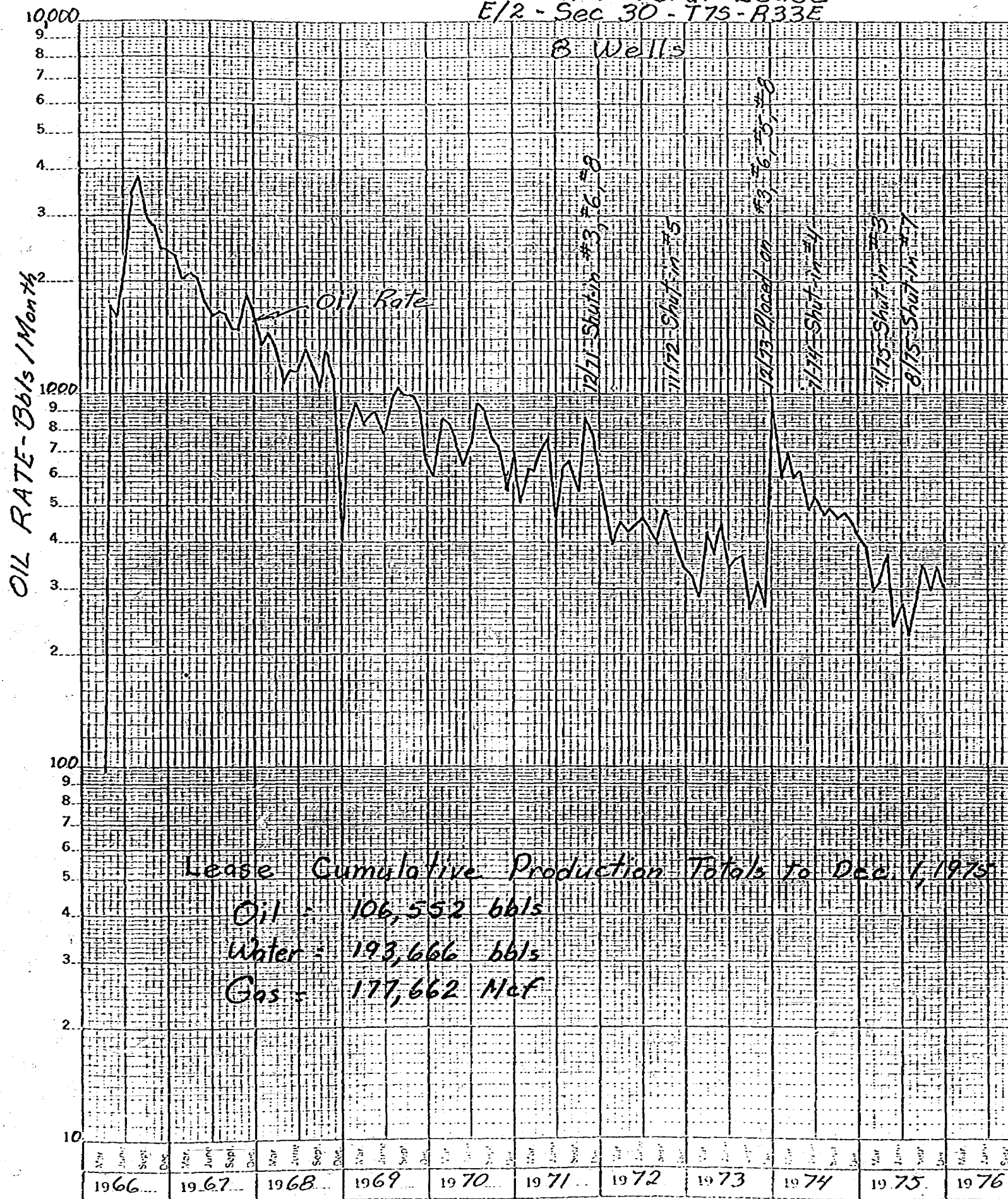
Joe D. Ramey
JOE D. RAMEY, Member & Secretary

S E A L

dr/



Chaveroo Field- San Andres Farrell-Federal Lease E/2 - Sec 30 - T7S - R33E



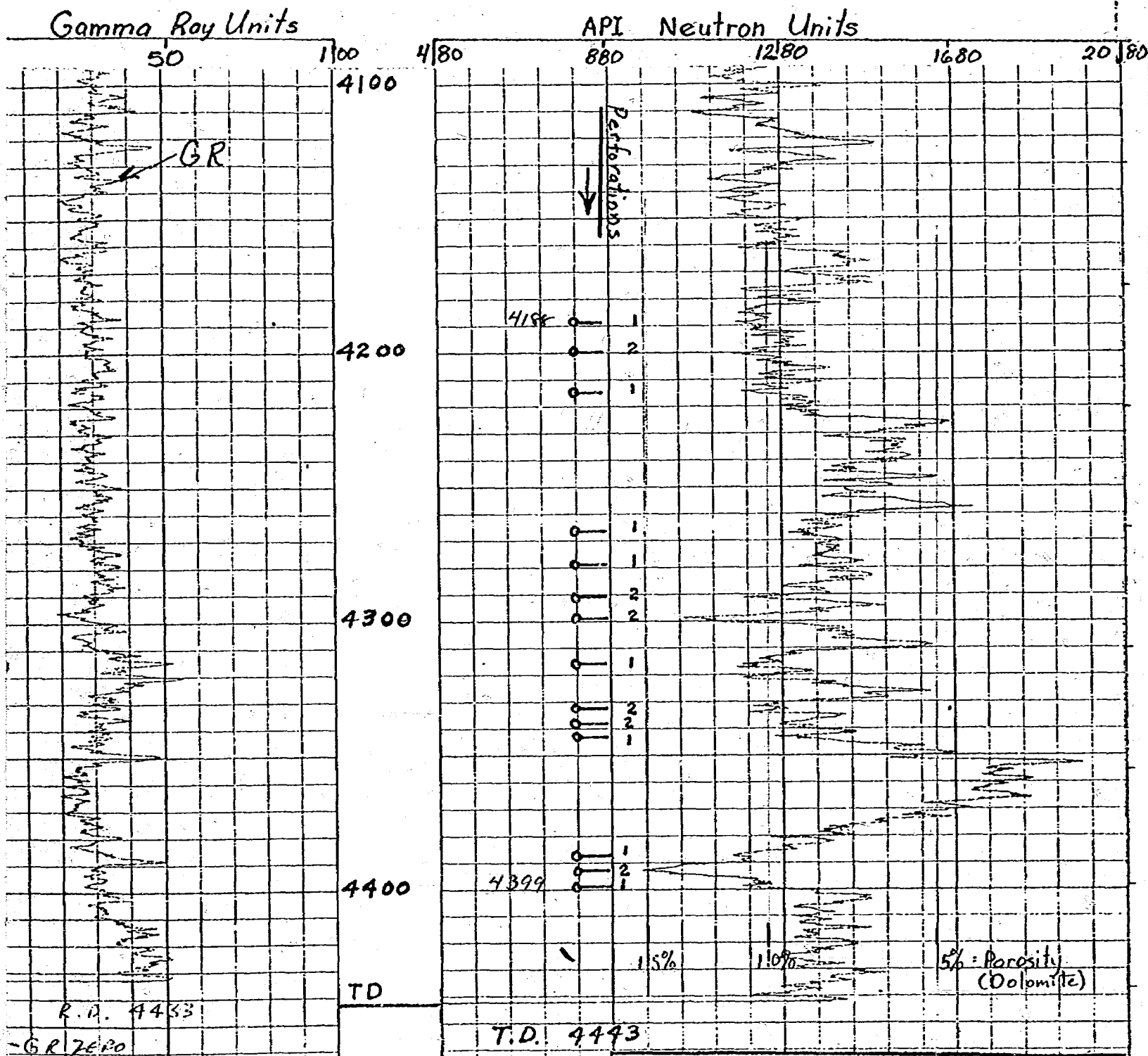
CHAMPLIN PETROLEUM COMPANY

INDIVIDUAL WELL PRODUCTION DATA - DEC. 1975
FARRELL-FEDERAL LEASE AND OFFSET WELLS TO PROPOSED INJECTION WELL

<u>Operator</u>	<u>Lease & Well No.</u>	<u>Oil Bbls/Day</u>	<u>Water Bbls/Day</u>	<u>Gas MCF/D</u>	<u>Water Percent</u>	<u>Gas Oil Ratio</u>
Champlin	Farrell-Fed. #2	4	2	1.5	33	380
"	*Farrell-Fed. #3	Shut-in uneconomic oil well.				
"	Farrell-Fed. #4	Shut-in uneconomic oil well.				
"	Farrell-Fed. #5	2	1	0.4	36	200
"	Farrell-Fed. #6	2	1	0.4	36	200
"	*Farrell-Fed. #7	Shut-in uneconomic oil well.				
"	*Farrell-Fed. #8	2	10	0.8	83	200
	Total Farrell-Fed. Lease	<u>10</u>	<u>14</u>	<u>3.10</u>	<u>58</u>	<u>310</u>
Champlin	*Lauck-Fed. #10	Water injection well.				
"	*Lauck-Fed. #14	13	12	4.3	48	325
"	*State "32" #13	Water injection well.				
Schneider	*Hondo-State #1	Shut-in uneconomic oil well.				

*Wells offsetting proposed injection well.

BEFORE EXAMINER STAMETS	
OIL CONSERVATION COMMISSION	
Chaplin	EXHIBIT NO. 3
CASE NO. 5720	
Submitted by Condie	
Hearing Date 4 Feb 76	



BEFORE EXAMINER STAMETS
OIL CONSERVATION COMMISSION

Champlin EXHIBIT NO. 4

CASE NO. 5620

Submitted by Condie

Hearing Date 7 Feb 76

Champlin Petroleum Co.
Farrell-Fed No. 4.
Gamma Ray-Neutron Log

Chaverro Field - Roosevelt Co., NM.
D.F. Elev 4445

DIAGRAM OF PROPOSED INJECTION WELL FARRELL-FEDERAL No. 4

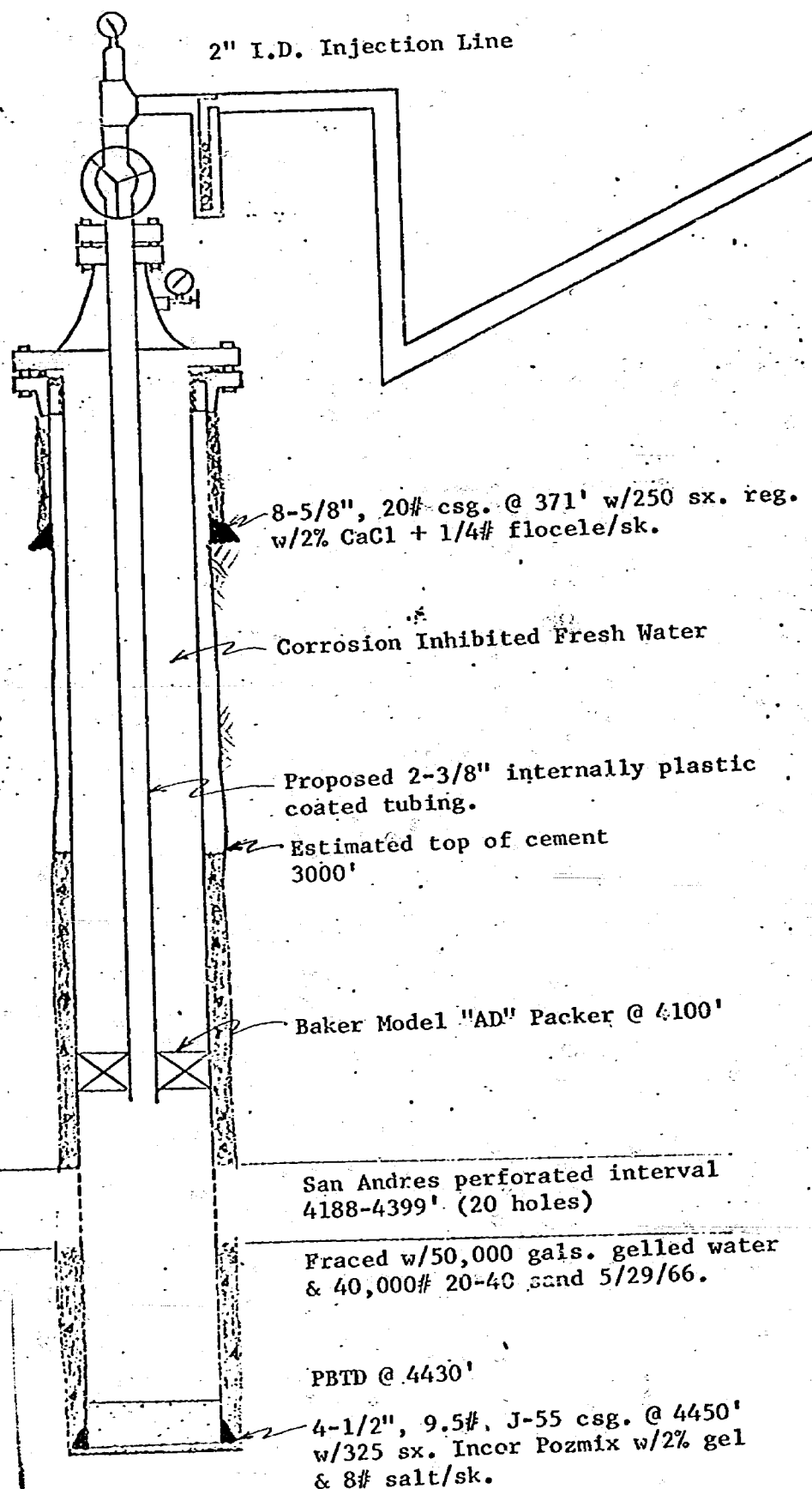
Loc: 660' FS&EL, Sec. 30,
T7S, R33E, Roosevelt
County, New Mexico

INJECTION VOLUMES

Minimum 200 BPD
Maximum 600 BPD
Expected 300 BPD

INJECTION PRESSURES

Maximum 1000 psi
Expected 500 psi



BEFORE EXAMINER STAMETS
OIL CONSERVATION COMMISSION

Chaplin EXHIBIT NO. 5
CASE NO. 5620
Submitted by Condie
Hearing Date 4 Feb 76

San Andres perforated interval
4188-4399' (20 holes)

Fraced w/50,000 gals. gelled water
& 40,000# 20-40 sand 5/29/66.

PBTD @ 4430'

4-1/2", 9.5#, J-55 csg. @ 4450'
w/325 sx. Incor Pozmix w/2% gel
& 8# salt/sk.

CHAUVEROO FIELD
CHAVES & ROOSEVELT CO'S, NEW MEXICO

FORMATION WATER ANALYSIS (SAN ANDRES)*

<u>IONIC FORM.</u>	<u>MILLIGRAMS/LITER</u>
Sodium	59,411
Calcium	25,520
Magnesium	8,712
Sulfate (SO ₄)	481
Chloride (Cl)	162,000
Bicarbonate (HCO ₃)	475
Carbonate (CO ₃)	<u>nil</u>
Total Solids	256,599
Iron	0.58
Specific Gravity @ 60° F	1.170
Hydrogen Sulfide, H ₂ S	Present
PH	5.5

* 6-5-74 Analysis by United Chemical Corp., Hobbs
from main water supply battery - Sec. 32

BEFORE EXAMINER STAMETS	
OIL CONSERVATION COMMISSION	
Chaplin	EXHIBIT NO. 6
CASE NO.	5620
Submitted by	Condie
Hearing Date	4 Feb 76

champlin 

15 January, 1976

Milford Pipe & Supply
P. O. Box 427
Tatum, New Mexico 88267

Re: Champlin Petroleum Company
Farrell-Federal No. 4
Chaveroo Field - San Andres Pool
Roosevelt County, New Mexico

Champlin Petroleum Company proposes to convert the subject well, located in Unit P (SE/4 SE/4) of Section 30, T-7-S, R-33-E, Roosevelt County, New Mexico, to water injection. Attached for your review are copies of an area plat and diagrammatic sketch of proposed injector.

If you, as offset operator, have no objection to this application which will request a waterflood project status for the E/2 Section 30, T-7-S, R-33-E, Roosevelt County, New Mexico and conversion of the subject well, please execute two copies of this letter and return both copies to our Midland office. Included for your convenience are pre-addressed envelopes.

Yours very truly,

CHAMPLIN PETROLEUM COMPANY



D. C. Condie
District Engineer

ECC:bg
Attachments

APPROVED: Gene Milford

DATE : 1/16/76

Champlin Petroleum Company
P.O. Box 1797
701 Wilco Building
Midland, Texas 79701
915/682-3775

BEFORE EXAMINER STAMETS	
OIL CONSERVATION COMMISSION	
Champlin	EXHIBIT NO. 7
CASE NO.	5620
Submitted by	Condie
Hearing Date	4 Feb 76

1
champlin 

15 January, 1976

Tom S. Schneider
Route 2, Box 562
Eagle Pass, Texas 78852

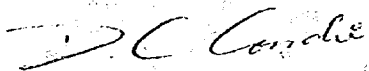
Re: Champlin Petroleum Company
Farrell-Federal No. 4
Chaveroo Field - San Andres Pool
Roosevelt County, New Mexico

Champlin Petroleum Company proposes to convert the subject well, located in Unit P (SE/4 SE/4) of Section 30, T-7-S, R-33-E, Roosevelt County, New Mexico, to water injection. Attached for your review are copies of an area plat and diagrammatic sketch of proposed injector.

If you, as offset operator, have no objection to this application which will request a waterflood project status for the E/2 Section 30, T-7-S, R-33-E, Roosevelt County, New Mexico and conversion of the subject well, please execute two copies of this letter and return both copies to our Midland office. Included for your convenience are pre-addressed envelopes.

Yours very truly,

CHAMPLIN PETROLEUM COMPANY


D. C. Condie
District Engineer

DCC:bg
Attachments

APPROVED: 

DATE : 1/28/76

BEFORE EXAMINER STAMETS	
OIL CONSERVATION COMMISSION	
Champlin	EXHIBIT NO. 8
CASE NO.	5620
Submitted by	Condie
Hearing Date	4 Feb 76

Champlin Petroleum Company
P.O. Box 4797
701 Wilco Building
Midland, Texas 79701
915/682-3775

Dockets Nos. 6-76 and 7-76 are tentatively set for hearing on February 18 and March 3, 1976. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - FEBRUARY 4, 1976
9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING - SANTA FE, NEW MEXICO

The following cases will be heard before Richard L. Stamets, Examiner, or Daniel S. Rutter, Alternate Examiner:

CASE 5620: Application of Champlin Petroleum Company for a waterflood project, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the Chaveroo-San Andres Pool by the injection of water into the San Andres formation through its Farrell Federal Well No. 4, located in Unit P of Section 30, Township 7 South, Range 33 East, Roosevelt County, New Mexico. Applicant further seeks an administrative procedure for approval of additional wells at standard and non-standard locations within the project area.

CASE 5397: (Reopened)
In the matter of Case 5397 being reopened pursuant to the provisions of Order No. R-4949, which order established the North Burton Flats-Wolfcamp Gas Pool, Eddy County, New Mexico, and promulgated special pool rules therefor, including a provision for 320-acre spacing and proration units. All interested parties may appear and show cause why said special pool rules should or should not remain in effect.

CASE 5621: Application of El Paso Natural Gas Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval to commingle Basin-Dakota and Blanco-Mesaverte gas production in the wellbore of its Jicarilla 119N Well No. 4, located in Unit H of Section 6, Township 26 North, Range 4 West, Rio Arriba County, New Mexico.

CASE 5622: Application of Texaco for determination of charges and costs, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the determination by the Commission of reasonable well costs, and the applicability of the charge for risk to certain items of expense, for the William G. Ross A. O. Rogers Well No. 1, located in Unit P of Section 3, Township 18 South, Range 26 East, Eddy County, New Mexico, to which is dedicated the E/2 of said Section 3, said lands having been pooled by Commission Order No. R-4980.

CASE 5623: Application of Amoco Production Company for salt water disposal, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced water by injection into the Lower Delaware formation through the perforated interval from 3376 to 3400 feet in its Old Indian Draw Well No. 4, located in Unit I of Section 18, Township 22 South, Range 28 East, Indian Draw-Delaware Pool, Eddy County, New Mexico.

CASE 5624: Application of Harris & Walton for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced water into the Yates-Seven Rivers formation through the open-hole interval from 3507 feet to 3761 feet in its H. Whitten Well No. 1, located in Unit C of Section 4, Township 24 South, Range 36 East, Jalmat Pool, Lea County, New Mexico.

CASE 5625: Application of Walter W. Krug dba Wallen Production Co. for an exception to Order R-111-A, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the Potash-Oil Area casing-cementing rules for his Wallen Fee Well No. 1, located 330 feet from the North line and 990 feet from the West line of Section 28, Township 20 South, Range 34 East, Lea County, New Mexico, to permit completing said well with a shallow-cavings string cemented in and with 7-inch production casing to the top of the pay and a 4 1/2-inch liner through the pay, all cemented to the surface.

CASE 5626: Southeastern New Mexico nomenclature case calling for an order for the creation, abolishment, and extension of certain pools in Eddy and Lea Counties, New Mexico.

(a) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Strawn production and designated as the Carlsbad-Strawn Gas Pool. The discovery well is the Belco Petroleum Corporation Union Mead Com Well No. 1, located in Unit H of Section 8, Township 22 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 27 EAST, NMPM
Section 8: All
Section 17: N/2

(b) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the East Carlsbad-Morrow Gas Pool. The discovery well is the Champlin Petroleum Company Pecos Federal Well No. 1, located in Unit C of Section 1, Township 22 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM
Section 35: All
Section 36: W/2

TOWNSHIP 22 SOUTH, RANGE 27 EAST, NMPM
Section 1: N/2
Section 2: N/2

(c) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Strawn production and designated as the East Carlsbad-Strawn Gas Pool. The discovery well is the Champlin Petroleum Company Pecos Federal Well No. 1, located in Unit C of Section 1, Township 22 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 27 EAST, NMPM
Section 1: N/2

(d) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Strawn production and designated as the La Huerta-Strawn Gas Pool. The discovery well is the Cities Service Oil Company Tracy A Com Well No. 1, located in Unit C of Section 33, Township 21 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM
Section 33: N/2

(e) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Pennsylvanian production and designated as the Nonombre-Pennsylvanian Pool. Said pool would consolidate the vertical limits and acreage of the abolished Nonombre Lower-Pennsylvanian, Nonombre Middle-Pennsylvanian and the Nonombre Upper-Pennsylvanian Pools. New pool to be governed by the rules of the abolished Nonombre Lower-Pennsylvanian Pool under Order R-2929. Said pool would comprise:

TOWNSHIP 13 SOUTH, RANGE 34 EAST, NMPM
Section 32: All

(f) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the Robinia Draw-Morrow Gas Pool. The discovery well is the American Quasar Petroleum Company of New Mexico Robinia Draw Unit Well No. 1, located in Unit K of Section 7, Township 23 South, Range 24 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 24 EAST, NMPM
Section 7: W/2

(g) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Pennsylvanian production and designated as the North Sannal-Pennsylvanian Pool. The discovery well is the Dalco Oil Company Bell 17 State Well No. 1, located in Unit G of Section 17, Township 16 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 16 SOUTH, RANGE 33 EAST, NMPM
Section 17: NE/4

(h) ABOLISH the Nonombre Lower Pennsylvanian Pool in Lea County, New Mexico, described as:

TOWNSHIP 13 SOUTH, RANGE 34 EAST, NMPM
Section 32: SW/4

(i) ABOLISH the Nonombre Middle-Pennsylvanian Pool in Lea County, New Mexico, described as:

TOWNSHIP 13 SOUTH, RANGE 34 EAST, NMPM
Section 32: E/2 NW/4 and W/2 NE/4

(j) ABOLISH the Nonombre Upper-Pennsylvanian Pool in Lea County, New Mexico, described as:

TOWNSHIP 13 SOUTH, RANGE 34 EAST, NMPM
Section 32: E/2 and SW/4

(k) EXTEND the North Benson Queen-Grayburg Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 30 EAST, NMPM
Section 32: S/2 NE/4 and NW/4 SW/4

(l) EXTEND the Burton Flat-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 26 EAST, NMPM
Section 12: S/2
Section 13: E/2

TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM
Section 2: Lots 11, 12, 13, 14 & SW/4
Section 15, 16, 21, 22, & 28: All
Section 33: N/2

- (m) EXTEND the Furton Flat-Strawn Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM
Section 15: All

- (n) EXTEND the South Carlsbad-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 27 EAST, NMPM
Section 3: N/2
Section 4: All
Section 5: E/2
Sections 8, 9, 17 & 18: All
Section 20: W/2

- (o) EXTEND the Eagle Creek-San Andres Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 25 EAST, NMPM
Section 13: N/2 NW/4

- (p) EXTEND the Eumont Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM
Section 33: NW/4 and SW/4 NE/4

- (q) EXTEND the Los Medanos-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 31 EAST, NMPM
Section 6: E/2

- (r) EXTEND the Lovington-Paddock Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 37 EAST, NMPM
Section 3: NW/4
Section 4: NE/4

- (s) EXTEND the North Vacuum-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 34 EAST, NMPM
Section 36: SE/4

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM
Section 9: SE/4

- (t) EXTEND the Vada-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 33 EAST, NMPM
Section 11: E/2

- (u) EXTEND the Wantz-Granite Wash Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 14: NE/4

- (v) CONTRACT the Indian Basin-Morrow Gas Pool in Eddy County, New Mexico, by the deletion of the following described lands:

TOWNSHIP 20 SOUTH, RANGE 25 EAST, NMPM
Sections 31 & 32: All

TOWNSHIP 21 SOUTH, RANGE 24 EAST, NMPM
Sections 4 & 5: All

- (w) EXTEND the Cemetary-Morrow Gas Pool in Eddy County, New Mexico, to include the following described lands:

TOWNSHIP 20 SOUTH, RANGE 25 EAST, NMPM
Section 31: All
Section 32: W/2

TOWNSHIP 21 SOUTH, RANGE 24 EAST, NMPM
Sections 4 & 5: All

~~5620~~

see 5620

BEFORE THE
OIL CONSERVATION COMMISSION OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
CHAMPLIN PETROLEUM COMPANY FOR
AUTHORITY TO INSTALL AND OPERATE A
WATERFLOOD PROJECT IN THE CHAVEROO-SAN
ANDRES POOL, ROOSEVELT COUNTY, NEW MEXICO

A P P L I C A T I O N

Comes now Champlin Petroleum Company and applies to the Oil Conservation Commission of New Mexico for authority to install and operate a waterflood project in the Chaveroo-San Andres Pool, Roosevelt County, New Mexico, by conversion of its Farrell Federal No. 4 well to water injection and for approval of administrative procedures for expansion of said waterflood project, and in support thereof would show:

1. That application seeks permission to institute a waterflood project in the Chaveroo-San Andres Pool, by the injection of water into the San Andres formation.

2. Applicant proposes to convert to water injection its Farrell Federal No. 4 well located 660 feet from the South line and 660 feet from the East line of Section 30, T7S, R33E, Roosevelt County, New Mexico.

3. That the subject well is marginal.

4. That the proposed waterflood project will result in the recovery of otherwise unrecoverable oil, thereby preventing waste and will not impair the correlative rights of others.

5. Applicant further requests that administrative procedures be authorized whereby modification or expansion of the unit including the drilling of additional injection wells

~~Case 5600~~
Case 5620

and or producing wells, and the conversion of existing wells
locations may be approved without further notice and hearing.

WHEREFORE, Applicant respectfully requests this matter
be set for hearing before the Commission's duly appointed
examiner and that after notice and hearing as required by
law, the Commission enter its order approving the application
as requested.

Respectfully submitted,

CHAMPLIN PETROLEUM COMPANY

By

N. F. Kellahin
Kellahin & Fox

P. O. Box 1769

Santa Fe, New Mexico 87501

ATTORNEYS FOR APPLICANT

DOCKET MAILED

Date 1/26/76

BEFORE THE
OIL CONSERVATION COMMISSION OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
CHAMPLIN PETROLEUM COMPANY FOR
AUTHORITY TO INSTALL AND OPERATE A
WATERFLOOD PROJECT IN THE CHAVEROO-SAN
ANDRES POOL, ROOSEVELT COUNTY, NEW MEXICO

A P P L I C A T I O N

Comes now Champlin Petroleum Company and applies to the Oil Conservation Commission of New Mexico for authority to install and operate a waterflood project in the Chaveroo-San Andres Pool, Roosevelt County, New Mexico, by conversion of its Farrell Federal No. 4 well to water injection and for approval of administrative procedures for expansion of said waterflood project, and in support thereof would show:

1. That application seeks permission to institute a waterflood project in the Chaveroo-San Andres Pool, by the injection of water into the San Andres formation.
2. Applicant proposes to convert to water injection its Farrell Federal No. 4 well located 660 feet from the South line and 660 feet from the East line of Section 30, T7S, R33E, Roosevelt County, New Mexico.
3. That the subject well is marginal.
4. That the proposed waterflood project will result in the recovery of otherwise unrecoverable oil, thereby preventing waste and will not impair the correlative rights of others.
5. Applicant further requests that administrative procedures be authorized whereby modification or expansion of the unit including the drilling of additional injection wells

~~Case 5400~~
Case 5620

and or producing wells, and the conversion of existing wells locations may be approved without further notice and hearing.

WHEREFORE, Applicant respectfully requests this matter be set for hearing before the Commission's duly appointed examiner and that after notice and hearing as required by law, the Commission enter its order approving the application as requested.

Respectfully submitted,

CHAMPLIN PETROLEUM COMPANY

W. THOMAS KELLAHIN

By

Kellahin & Fox

P. O. Box 1769

Santa Fe, New Mexico 87501

ATTORNEYS FOR APPLICANT

BEFORE THE
OIL CONSERVATION COMMISSION OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
CHAMPLIN PETROLEUM COMPANY FOR
AUTHORITY TO INSTALL AND OPERATE A
WATERFLOOD PROJECT IN THE CHAVEROO-SAN
ANDRES POOL, ROOSEVELT COUNTY, NEW MEXICO

A P P L I C A T I O N

Comes now Champlin Petroleum Company and applies to the Oil Conservation Commission of New Mexico for authority to install and operate a waterflood project in the Chaveroo-San Andres Pool, Roosevelt County, New Mexico, by conversion of its Farrell Federal No. 4 well to water injection and for approval of administrative procedures for expansion of said waterflood project, and in support thereof would show:

1. That application seeks permission to institute a waterflood project in the Chaveroo-San Andres Pool, by the injection of water into the San Andres formation.

2. Applicant proposes to convert to water injection its Farrell Federal No. 4 well located 660 feet from the South line and 660 feet from the East line of Section 30, T7S, R33E, Roosevelt County, New Mexico.

3. That the subject well is marginal.

4. That the proposed waterflood project will result in the recovery of otherwise unrecoverable oil, thereby preventing waste and will not impair the correlative rights of others.

5. Applicant further requests that administrative procedures be authorized whereby modification or expansion of the unit including the drilling of additional injection wells

and or producing wells, and the conversion of existing wells locations may be approved without further notice and hearing.

WHEREFORE, Applicant respectfully requests this matter be set for hearing before the Commission's duly appointed examiner and that after notice and hearing as required by law, the Commission enter its order approving the application as requested.

Respectfully submitted,

CHAMPLIN PETROLEUM COMPANY

By W. THOMAS KELLAHIN

Kellahin & Fox

P. O. Box 1769

Santa Fe, New Mexico 87501

ATTORNEYS FOR APPLICANT

ROUGH

dr/

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. 5620

Order No. R-5166

APPLICATION OF CHAMPLIN PETROLEUM COMPANY
FOR A WATERFLOOD PROJECT, ROOSEVELT
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on February 4
19 76, at Santa Fe, New Mexico, before Examiner,

Richard L. Stamets

NOW, on this February, 19 76, 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, Champlin Petroleum Company
seeks authority to institute a waterflood project on its
Farrell Federal Lease, Chaveroo-San Andres

Pool, by the injection of water into the San Andres
formation through its Farrell Federal Well NO. 4, located in
Unit P of Section 30,
Township 7 South, Range 33 East, NMPM, Roosevelt
County, New Mexico.

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

(4) That the proposed waterflood project should result
in the recovery of otherwise unrecoverable oil, thereby preventing
waste.

-2-

Case NO. _____

Order No. R- _____

(5) That the operator should take all steps necessary, ~~to~~ including limitation of well head pressure, to ensure that the injected water enters only the proposed injection interval and is not permitted to escape to other formations or onto the surface from injection, production, or plugged and abandoned wells.

(6) That the subject application should be approved and the project should be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

IT IS THEREFORE ORDERED:

(1) That the applicant, Chanplin Petroleum Company, is hereby authorized to institute a waterflood project on its Farrell Federal Lease, Chaveroo-San Andres Pool, by the injection of water into the San Andres its Farrell Federal Well No. 4, located in formation through Unit P of Sec. 30 in Township 7 South, Range 33 East, NMPM, Roosevelt County, New Mexico.

(2) *The injection into said well shall be at pressures no greater than 2,200 psi at the wellhead;*

That injection ~~into each of said wells~~ shall be through internally coated tubing, set in a packer which shall be located as near as practicable to the uppermost perforation; ^{and} that the casing-tubing annulus of ~~each~~ ^{the} injection well shall be loaded with an inert fluid and equipped with an approved pressure gauge or attention-attracting leak detection device.

(3) That the operator shall immediately notify the supervisor of the Commission's Hubbs district office of the failure of the tubing or packer in any of said injection wells, the leakage of water or oil from around any producing well, or the leakage of water or oil from any plugged and abandoned well within the project area and shall take such timely steps as may be necessary or required to correct such failure or leakage.

-3-

Case NO. _____
Order No. R _____

Choveroo
(4) That the subject waterflood project is hereby designated the Champlin / Farrell Waterflood Project and shall be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

(5) That monthly progress reports of the waterflood project herein authorized shall be submitted to the Commission in accordance with Rules 704 and 1120 of the Commission Rules and Regulations.

(6) 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.