

*Entered July 29, 1959
A.R.P.*

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. 1704
Order No. R-1128-B

APPLICATION OF CITIES SERVICE OIL
COMPANY FOR AN AMENDMENT OF ORDER
NOS. R-1128 AND R-1128-A TO PRO-
VIDE FOR CAPACITY ALLOWABLES FOR
EIGHT WELLS IN THE PROJECT AREA
OF ITS WATER FLOOD PROJECT IN THE
CAPROCK-QUEEN POOL, LEA AND CHAVES
COUNTIES, NEW MEXICO, AND TO PRO-
VIDE FOR A CAPACITY ALLOWABLE FOR
ONE WELL OFFSETTING SAID PROJECT
AREA, AND TO ESTABLISH AN ADMIN-
ISTRATIVE PROCEDURE WHEREBY THE
PROJECT AREA MAY BE EXPANDED AND
ADDITIONAL WELLS CONVERTED TO
WATER INJECTION WITHOUT NOTICE
AND HEARING

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 8:00 o'clock a.m. on June 24, 1959, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 7th day of July, 1959, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, 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, Cities Service Oil Company, was authorized by Order Nos. R-1128 and R-1128-A to institute a water flood project in the Caprock-Queen Pool, Lea and Chaves Counties, New Mexico, on its Government "B" Lease comprising Section 3 and the N/2 of Section 10, Township 14 South, Range 31 East, NMPM, Chaves County, New Mexico.

-2-

Case No. 1704

Order No. R-1128-B

(3) That the applicant seeks an amendment of said Order Nos. R-1128 and R-1128-A to provide for capacity allowables for the following-described nine wells, eight of which are on the Government "B" Lease and thus within the project area, the other of which is located on applicant's State "AN" Lease offsetting the water flood project area:

Government B Well No. 2, SW/4 NE/4 of Section 10
Government B Well No. 3, NE/4 NE/4 of Section 10
Government B Well No. 11, NE/4 NW/4 of Section 10
Government B Well No. 8, SW/4 SE/4 of Section 3
Government B Well No. 9, NE/4 SE/4 of Section 3
Government B Well No. 12, SW/4 NE/4 of Section 3
Government B Well No. 15, NE/4 SW/4 of Section 3
Government B Well No. 19, SW/4 SW/4 of Section 3
State AN Well No. 1, SW/4 SW/4 of Section 2

all in Township 14 South, Range 31 East, Caprock-Queen Pool, Chaves County, New Mexico.

(4) That the applicant further seeks an amendment of said Order Nos. R-1128 and R-1128-A to establish an administrative procedure whereby the project area may be expanded and whereby additional wells may be converted to water injection without notice and hearing.

(5) That the evidence indicates that said water flood project has caused an increase in the producing capacity of the eight above-described wells located on applicant's Government "B" Lease to the extent that they are now or soon will be individually capable of producing in excess of the top unit allowable for the Caprock-Queen Pool and/or that they are now or soon will be collectively capable of producing in excess of the project allowable authorized by Order No. R-1128-A.

(6) That the evidence further indicates that the water flood project has caused an increase in the producing capacity of said State "AN" Well No. 1, which offsets the water flood project area, to the extent that it is now capable of producing in excess of top unit allowable for the Caprock-Queen Pool.

(7) That there is a possibility that waste will occur if production from the above-described wells is restricted.

(8) That the subject application should be approved.

IT IS THEREFORE ORDERED:

(1) That the following-described wells in and offsetting the applicant's Water Flood Project in the Caprock-Queen Pool, Lea and Chaves Counties, New Mexico, be and the same are hereby granted allowables equal to their capacity to produce:

-3-

Case No. 1704

Order No. R-1128-B

Government B Well No. 2, SW/4 NE/4 of Section 10
Government B Well No. 3, NE/4 NE/4 of Section 10
Government B Well No. 11, NE/4 NW/4 of Section 10
Government B Well No. 8, SW/4 SE/4 of Section 3
Government B Well No. 9, NE/4 SE/4 of Section 3
Government B Well No. 12, SW/4 NE/4 of Section 3
Government B Well No. 15, NE/4 SW/4 of Section 3
Government B Well No. 19, SW/4 SW/4 of Section 3
State AN Well No. 1, SW/4 SW/4 of Section 2

all in Township 14 South, Range 31 East, Chaves County, New Mexico.

(2) That an administrative procedure be and the same is hereby established whereby the project area of said Water Flood Project may be expanded without notice and hearing.

PROVIDED HOWEVER, That notice of the application for expansion shall be submitted to all operators offsetting the proposed expansion. If no objection is received from any such offset operator within fifteen (15) days, the Secretary-Director may grant approval of the proposed expansion for good cause shown. The Secretary-Director may grant immediate approval of the proposed expansion upon receipt of waivers of objection from all operators offsetting the proposed expansion.

(3) That an administrative procedure be and the same is hereby established to provide that additional wells in said Project may be converted to water injection without notice and hearing.

PROVIDED HOWEVER, That no well located in said Water Flood Project shall be eligible for administrative approval for conversion to water injection unless it is established to the satisfaction of the Secretary-Director that the proposed water injection well has experienced a substantial response to the water flood project or is directly offset by a producing well which has experienced such response; and that it is located on a water injection pattern which will result in a thorough and efficient sweep of oil by said water flood.

PROVIDED FURTHER, That to obtain administrative approval for the conversion of any well to water injection, applicant shall submit to the Commission in triplicate a request for such administrative approval, setting forth therein all the facts pertinent to the need for converting additional wells to water injection, and attaching thereto Commission Form C-116, showing production tests of the affected well or wells both before and after stimulation by water flood. Applicant shall also attach plats of the water flood project area and immediate surrounding area, indicating thereon the owner of each lease and the location of all water injection wells and producing wells, and shall submit evidence that a copy of the application to convert additional wells to water injection has been sent to each operator offsetting the proposed injection well.

-4-

Case No. 1704

Order No. R-1128-B

The Secretary-Director of the Commission may, if in his opinion there is need for the conversion of additional wells to water injection, authorize said conversion without notice and hearing, provided no offset operator objects to said conversion within fifteen (15) days. The Secretary-Director may grant immediate approval of the conversion to water injection upon receipt of waivers of objection from all operators offsetting the proposed water injection well.

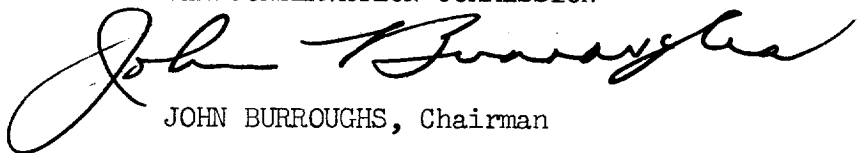
(4) That the project allowable provision of Order No. R-1128-A be and the same is hereby superseded.

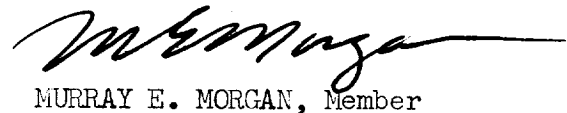
(5) That this order shall become effective at 7:00 o'clock a.m., Mountain Standard Time, July 7, 1959.

(6) That the Commission hereby retains jurisdiction in this cause to amend all or any part of this order and further to enter any additional order or orders deemed necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


JOHN BURROUGHS, Chairman


MURRAY E. MORGAN, Member


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

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