

Entered September 22, 1958
A.H.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 THE STATE OF NEW
MEXICO FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 1493
Order No. R-1244

APPLICATION OF MAGNOLIA PETROLEUM
COMPANY FOR PERMISSION TO INSTITUTE
A PILOT WATER FLOOD PROJECT ON ITS
STATE BRIDGES LEASE IN THE VACUUM
POOL, LEA COUNTY, NEW MEXICO, AND FOR
THE ESTABLISHMENT OF AN ADMINISTRATIVE
PROCEDURE WHEREBY SAID PROJECT MAY BE
EXPANDED WITHIN THE LIMITS OF THE STATE
BRIDGES LEASE AND FOR THE ESTABLISHMENT
OF AN ADMINISTRATIVE PROCEDURE FOR THE
ASSIGNMENT OF A PROJECT OR LEASE ALLOWABLE
FOR SAID PROJECT.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m, on
August 13, 1958, at Santa Fe, New Mexico, before the Oil Conserva-
tion Commission of New Mexico, hereinafter referred to as the "Com-
mission."

NOW, on this 17th day of September, 1958, the Commission,
a quorum being present, having considered the testimony presented and
the exhibits received at said hearing 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, Magnolia Petroleum Company, is the
owner and operator of the State Bridges Lease in the Vacuum Pool,
which lease comprises all or portions of Sections 3, 10, 11, 12, 13,
14, 15, 23, 24, 25, 26, and 27, Township 17 South, Range 34 East,
NMPM, Lea County, New Mexico.

(3) That the applicant proposes to institute a pilot water
flood project on said State Bridges Lease by the injection of water
into the Grayburg-San Andres formation in the Vacuum Pool through the

following-described wells:

- Bridges Well No. 2, SW/4 SE/4 Section 14
- Bridges Well No. 37, NE/4 SW/4 Section 14
- Bridges Well No. 56, NE/4 SE/4 Section 14
- Bridges Well No. 64, SW/4 NE/4 Section 14
- Bridges Well No. 66, SW/4 NW/4 Section 14
- Bridges Well No. 71, NE/4 NW/4 Section 14

all in Township 17 South, Range 34 East, NMPM, Lea County, New Mexico.

(4) That applicant further proposes that it be authorized to convert any other well located on the State Bridges Lease to water injection, without notice and hearing, subject to administrative approval by the Commission.

(5) That applicant further proposes that an administrative procedure be established for granting a project or lease allowable.

(6) That the proposed pilot water flood project will not adversely affect the interests of any other operator in the Vacuum Pool.

(7) That the applicant should be permitted to inject water into the Grayburg-San Andres formation in the Vacuum Pool through the six proposed injection wells described above; provided however, that prior to the use of the aforesaid Bridges Well No. 2 as a water injection well, a packer should be installed at a depth of 400 feet or more.

(8) That an administrative procedure should be established whereby approval may be granted for conversion to water injection of any well located on the State Bridges Lease when 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; provided however, that no well should be eligible for administrative approval for water injection if said well is located nearer than 1320 feet to the outer boundary of the said State Bridges Lease. For purposes of this order any lease unitized with said State Bridges Lease should be considered as a part of the State Bridges Lease.

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(9) That applicant stipulated that the State Engineer is an interested party and is to be notified of any request for expansion of the said pilot project.

(10) That a procedure should be established whereby a project allowable may be granted administratively. Said project allowable should be determined by multiplying top unit allowable times the number of developed 40-acre tracts which directly or diagonally offset an authorized injection well plus top unit allowable times the number of 40-acre tracts on which an authorized injection well is located, which allowable may be produced from any well or wells within said project area.

IT IS THEREFORE ORDERED:

(1) That Magnolia Petroleum Company be and the same is hereby authorized to immediately convert for the purpose of water injection into the Grayburg-San Andres formation, the following-described wells:

Bridges Well No. 2, SW/4 SE/4 Section 14

Bridges Well No. 37, NE/4 SW/4 Section 14

Bridges Well No. 56, NE/4 SE/4 Section 14

Bridges Well No. 64, SW/4 NE/4 Section 14

Bridges Well No. 66, SW/4 NW/4 Section 14

Bridges Well No. 71, NE/4 NW/4 Section 14

all in Township 17 South, Range 34 East, NMPM, Lea County, New Mexico, provided however, that prior to the use of said Bridges Well No. 2, as a water injection well, a packer shall be installed at a depth of 400 feet or more.

(2) That Magnolia Petroleum Company be and the same is hereby authorized to convert to water injection any well located on the State Bridges Lease in the Vacuum Pool, subject to administrative approval by the Commission. The State Bridges Lease consists of the following-described acreage:

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM
Section 3: W/2 NE/4 and SE/4
Section 10: NE/4
Section 11: S/2
Section 12: S/2 and NE/4
Section 13: N/2 and SW/4

TOWNSHIP 17 SOUTH, RANGE 34 EAST, NMPM (continued)

Section 14: All
Section 15: E/2
Section 23: N/2 and SE/4
Section 24: SW/4 and S/2 NW/4 and NW/4 NW/4
Section 25: NW/4 and W/2 NE/4 and NE/4 NE/4
Section 26: All
Section 27: E/2

PROVIDED HOWEVER, That no well located on the said State Bridges Lease shall be eligible for administrative approval for conversion to water injection unless it is established to the satisfaction of the Secretary-Director of the Commission 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 no well on the said State Bridges Lease shall be eligible for administrative approval for conversion to water injection if such well is located nearer than 1320 feet to the outer boundary of said State Bridges Lease. For purposes of this order any lease unitized with said State Bridges Lease shall be considered as a part of the State Bridges Lease.

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 expansion of the water flood, 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 expand the water flood project area has been sent to each operator offsetting the proposed expansion and to the State Engineer.

The Secretary-Director of the Commission may, if in his opinion there is need for the expansion of the water flood project area, authorize said expansion without notice and hearing, provided no offset operator nor the State Engineer objects to said expansion within fifteen (15) days. The Secretary-Director may grant immediate approval of the expansion upon receipt of waivers of objection from all operators offsetting the proposed expansion and the State Engineer.

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(3) That an administrative procedure be and the same is hereby established for granting applicant a project allowable which may be produced from any well or wells within said project area.

PROVIDED HOWEVER, That in no event shall the project allowable be greater than an amount to be determined by multiplying top unit allowable times the number of developed 40-acre tracts which directly or diagonally offset an authorized injection well plus top unit allowable times the number of 40-acre tracts on which an authorized injection well is located.

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

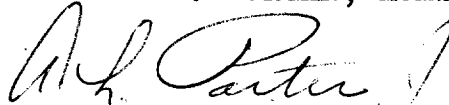
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



EDWIN L. MECHEM, Chairman



MURRAY E. MORGAN, Member



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

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