

*Entered July 20, 1959
1737*

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. 1705
Order No. R-1435

APPLICATION OF NEVILLE G. PENROSE,
INC., FOR AN ORDER AUTHORIZING A
CAPACITY ALLOWABLE FOR ONE WELL
ADJOINING THE PROJECT AREA OF
CITIES SERVICE OIL COMPANY'S WATER
FLOOD PROJECT IN THE CAPROCK-QUEEN
POOL, LEA AND CHAVES COUNTIES,
NEW MEXICO

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 8 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 2nd 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 by Order Nos. R-1128 and R-1128-A, Cities Service Oil Company was authorized to institute a pilot water flood project in the Caprock-Queen Pool in Lea and Chaves Counties, New Mexico.

(3) That the evidence presented establishes that the above-mentioned water flood project has caused an increase in the producing capacity of the following-described well which offsets the water flood project area:

Neville G. Penrose, Inc.'s Alston Well No. 2, located
in the NW/4 NW/4 of Section 11, Township 14 South,
Range 31 East, Caprock-Queen Pool, Lea and Chaves
Counties, New Mexico.

-2-

Case No. 1705

Order No. R-1435

(4) That permission is sought by the applicant, Neville G. Penrose, Inc., to produce the above-described Alston Well No. 2 at capacity on the ground that production from wells in or offsetting a water flood project cannot be curtailed without causing a reduction in the ultimate recovery of oil.

(5) That negotiations are under way to bring the NW/4 NW/4 of said Section 11 into the said water flood project area.

(6) That the preponderance of the evidence presented in this case indicates that waste might occur if production from the above-described well is restricted.

(7) That said well should be permitted to produce at capacity.

IT IS THEREFORE ORDERED:

(1) That the following-described well be and the same is hereby granted an allowable equal to its capacity to produce:

Neville G. Penrose, Inc.'s Alston Well No. 2, located in the NW/4 NW/4 of Section 11, Township 14 South, Range 31 East, Caprock-Queen Pool, Lea and Chaves Counties, New Mexico.

(2) That this order shall become effective at 7 o'clock a.m., Mountain Standard Time, July 2, 1959.

(3) That the Commission hereby retains jurisdiction of this cause to amend or revoke 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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