

Entered December 10, 1959

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. 1797
Order No. R-1534

APPLICATION OF GRARIDGE CORPO-
RATION FOR A WATER INJECTION-
OIL PRODUCTION DUAL COMPLETION
IN THE GRAYBURG FORMATION AND
THE LOVINGTON ZONE OF THE
ARTESIA POOL, EDDY COUNTY, NEW
MEXICO

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on October 28, 1959, at Santa Fe, New Mexico, before Daniel S. Nutter, 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 27th day of November, 1959, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Daniel S. Nutter, 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 proposes to recomplete the Western-Yates State Well No. 14, located in the SW/4 NE/4 of Section 28, Township 18 South, Range 28 East, NMPM, Eddy County, New Mexico, in such a manner as to permit the injection of water into the first zone of the Grayburg formation in the Artesia Pool and the production of oil from the Lovington zone in the Artesia Pool through the casing-tubing annulus and through 2-3/8 inch tubing, respectively.

(3) That the subject well was completed approximately 35 years ago; the condition of the casing presently in the hole is unknown, and there is an interval of 963 feet in the well which contains no casing.

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(4) That if the application is granted, the applicant proposes to pull the 7-inch liner, and set new 5½-inch casing at 2500 feet with cement circulated.

(5) That the two zones in the proposed dual completion are separate and distinct producing intervals, separated by approximately 384 feet of impermeable shale.

(6) That as a matter of policy, the Commission looks upon water injection-producing dual completions with disfavor because of the risk of damage to the producing formation created by water injection.

(7) That if the application is denied, the applicant must drill a twin water injection well to complete the water injection pattern in the water flood project, leaving the subject well as a partially open hole completion to the Lovington zone of the Artesia Pool.

(8) That there is a distinct danger that water injected into the first zone of the Grayburg formation through an offsetting well, upon reaching that interval in the subject well, will pass through the open hole portion of said well and into the Lovington producing formation and might cause permanent injury to said producing formation.

(9) That approval of the dual completion proposed by the applicant would entail less risk of injury to the Lovington formation in the subject well than would result from injection of water through the twin well which would be drilled if the application were denied.

(10) That approval of the subject application will neither cause waste nor impair correlative rights.

IT IS THEREFORE ORDERED:

That the applicant be and the same is hereby authorized to re-complete the Western-Yates State Well No. 14, located in the SW/4 NE/4 of Section 28, Township 18 South, Range 28 East, NMPM, Eddy County, New Mexico, in such a manner as to permit the injection of water into the first zone of the Grayburg formation in the Artesia Pool and the production of oil from the Lovington zone in the Artesia Pool through the casing-tubing annulus and through 2-3/8 inch tubing, respectively.

IT IS FURTHER ORDERED:

That jurisdiction of this cause is hereby retained by the Commission for such further order or orders as may seem necessary or

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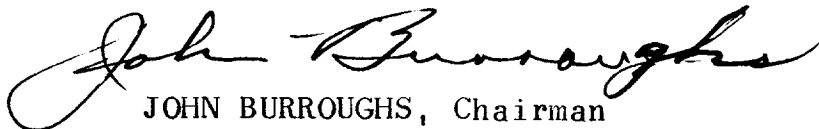
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convenient for the prevention of waste and/or protection of correlative rights; upon failure of applicant to comply with any requirement of this order, after proper notice and hearing the Commission may terminate the authority hereby granted and require applicant or its successors and assigns to limit its activities to regular single-zone production or water injection, in the interests of conservation.

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

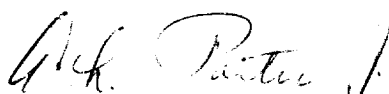
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



JOHN BURROUGHS, Chairman



MURRAY E. MORGAN, Member



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

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