

*Received November 10, 1959
C.F.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. 1803
Order No. R-1538

APPLICATION OF BOLLER & NICHOLS
AND LEONARD NICHOLS FOR AN ORDER
AUTHORIZING A WATER FLOOD PROJECT
IN THE ROBERTS POOL, LEA COUNTY,
NEW MEXICO, AND FOR AN ADMINISTRA-
TIVE PROCEDURE WHEREBY CAPACITY
ALLOWABLES MAY BE ASSIGNED TO
WELLS IN SAID PROJECT

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on November 10, 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 27th day of November, 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 applicants propose to institute a water flood project in the Roberts Pool with injection of water into the Grayburg formation in said Roberts Pool through the 11 following-described wells in Township 17 South, Range 32 East, NMPM, Lea County, New Mexico:

Iles Well No. 2, located in Unit D, Section 10;

Iles Well No. 5, located in Unit P, Section 3;

Iles Well No. 7, located in Unit N, Section 3;

Iles Well No. 8, located in Unit J, Section 3;

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Iles X Well No. 2, located in Unit B, Section 10;

Iles X Well No. 3, located in Unit F, Section 10;

Phillips State Lexco Well No. 1, located in Unit N, Section 2;

A. C. Taylor A Well No. 2, located in Unit F, Section 11;

A. C. Taylor F Well No. 1, located in Unit D, Section 11;

W. B. Trimble A Well No. 1, located in Unit B, Section 11;

W. B. Trimble A Well No. 4, located in Unit J, Section 11.

(3) That the applicants further propose that an administrative procedure be established whereby capacity allowables may be assigned to wells in said project.

(4) That the record of Case No. 1787 was incorporated in this case and that administrative notice was taken of Order No. R-1525, entered in Case No. 1787.

(5) That the applicants, who seek an exception to statewide Rule 701 of the Commission Rules and Regulations promulgated by said Order No. R-1525, have failed to prove by a preponderance of the evidence that restriction of production in the subject water flood project will result in a loss of ultimate oil recovery.

(6) That the producing wells in the area to be water flooded are substantially depleted.

(7) That the proposed water flood project should be authorized and the operation thereof should be governed by the provisions of Rule 701 of the Commission Rules and Regulations including those provisions regarding allocation of allowables and expansion of the project area.

IT IS THEREFORE ORDERED:

(1) That the applicants be and the same are hereby authorized to institute the Boller-Nichols Water Flood Project in the Roberts Pool and to inject water into the Grayburg formation in said Roberts Pool through the 11 following-described wells in Township 17 South, Range 32 East, NMPM, Lea County, New Mexico:

Iles Well No. 2, located in Unit D, Section 10;

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Iles Well No. 5, located in Unit P, Section 3;
Iles Well No. 7, located in Unit N, Section 3;
Iles Well No. 8, located in Unit J, Section 3;
Iles X Well No. 2, located in Unit B, Section 10;
Iles X Well No. 3, located in Unit F, Section 10;
Phillips State Lexco Well No. 1, located in Unit N, Section 2;
A. C. Taylor A Well No. 2, located in Unit F, Section 11;
A. C. Taylor F Well No. 1, located in Unit D, Section 11;
W. B. Trimble A Well No. 1, located in Unit B, Section 11;
W. B. Trimble A Well No. 4, located in Unit J, Section 11.

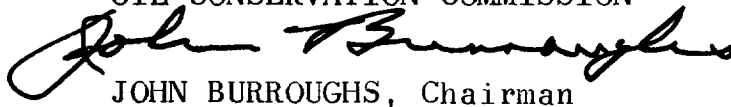
(2) That the administrative procedure proposed by the applicants for assignment of capacity allowables to wells in said project be and the same is hereby denied.

(3) That the operation of the water flood project herein authorized shall be governed by the provisions of Rule 701 of the Commission Rules and Regulations, including those provisions regarding allocation of allowables and expansion of the project area.

(4) That monthly progress reports on the water flood project herein authorized shall be submitted to the Commission in accordance with Rule 704 and Rule 1119 of the Commission Rules and Regulations.

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

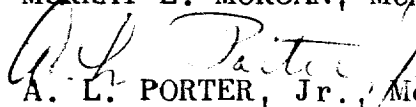
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


JOHN BURROUGHS, Chairman

S E A L


MURRAY E. MORGAN, Member

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