

*Entered May 18 1961
A.L.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. 2238
Order No. R-1970

APPLICATION OF GENERAL AMERICAN
OIL COMPANY OF TEXAS FOR PERMIS-
SION TO INSTITUTE A WATERFLOOD
PROJECT IN THE LOCO HILLS POOL,
EDDY COUNTY, NEW MEXICO, AND FOR
SPECIAL ALLOWABLES IN CONNECTION
THEREWITH.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on April 5, 1961, 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 11th day of May, 1961, 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, General American Oil Company of Texas, is the owner and operator of Federal Lease LC 060529, comprising in pertinent part the NE/4 and the SW/4 of Section 31, Township 17 South, Range 30 East, and of the State Lease B-1778, comprising in pertinent part the SE/4 SE/4 of Section 36, Township 17 South, Range 29 East, all in Eddy County, New Mexico.

(3) That said leases are direct offsets to certain leases in the Loco Hills Pool upon which Newmont Oil Corporation is presently conducting waterflood operations.

(4) That in the interest of increasing ultimate recovery and of producing oil which otherwise might not be recovered, applicant seeks authority to institute a waterflood project on the above-described leases by the injection of water into the Loco Hills Sand, which occurs in this area at a depth of

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approximately 2800 feet below the surface, into the following wells which would be converted from producing wells:

Beeson "F" No. 2, located
330 feet from the South
line and 330 feet from the
West line,

Beeson "F" No. 4, located
1650 feet from the South
line and 2310 feet from the
West line,

Beeson "F" No. 5, located
2310 feet from the North
line and 1650 feet from the
East line,

Beeson "F" No. 11, located
1650 feet from the North
line and 330 feet from the
East line,

all in Section 31, Township 17 South, Range 30 East, NMPM, Eddy County, New Mexico, and into the following wells which would be drilled at unorthodox locations:

State "A" No. 2, located
1295 feet from the South
line and 990 feet from the
East line of Section 36,
Township 17 South, Range
29 East,

Beeson "F" No. 16, located
2310 feet from the South
line and 1300 feet from the
West line of Section 31,
Township 17 South, Range
30 East,

Beeson "F" No. 17, located
2615 feet from the South
line and 25 feet from the
West line of Section 31,
Township 17 South, Range
30 East.

(5) That inasmuch as the Newmont Oil Corporation's water-flood is of the "capacity allowable" type with relatively high injection rates, applicant in this cause proposes to inject at equivalent rates and requests special allowables for its producing wells.

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(6) That the applicant should be permitted to institute a waterflood in the Loco Hills Sand of the Loco Hills Pool, Eddy County, New Mexico, by the injection of water into the wells described in Finding No. 4 above, and that a buffer zone should be established wherein water can be injected and wells produced at rates comparable to those in the Newmont Waterflood Project.

(7) That said buffer zone should include the following-described acreage:

SECTION 31, TOWNSHIP 17 SOUTH, RANGE 30 EAST
SE/4 NE/4 NE/4, E/2 SE/4 NE/4, SW/4 SE/4 NE/4,
SE/4 SW/4 NE/4, SE/4 SW/4, S/2 SW/4 SW/4

SECTION 36, TOWNSHIP 17 SOUTH, RANGE 29 EAST
SE/4 SE/4

(8) That all producing wells located outside the above-described buffer zone should be operated and produced in accordance with the allowable provisions of Rule 701 of the Commission's Rules and Regulations, the project area being limited to that portion of the subject leases which is not included in the buffer zone.

(9) That production from wells outside the buffer zone should be tanked separately from production from wells inside the buffer zone, unless the applicant receives approval from the Commission for some other satisfactory means of determining production from each of the two areas.

(10) That the applicant should be permitted to drill its Beeson "F" Well No. 15 as an additional producing well at an unorthodox location 1660 feet from the North line and 1480 feet from the East line of Section 31, Township 17 South, Range 30 East.

IT IS THEREFORE ORDERED:

(1) That the applicant, General American Oil Company of Texas, is hereby authorized to institute a waterflood in the Loco Hills Sand of the Loco Hills Pool on its Federal Lease LC 060529, comprising the NE/4 and the SW/4 of Section 31, Township 17 South, Range 30 East, and on its State Lease B-1778, comprising the SE/4 SE/4 of Section 36, Township 17 South, Range 29 East, all in Eddy County, New Mexico, by the injection of water into the following-described wells to be converted from producing wells:

Beeson "F" No. 2, located
330 feet from the South
line and 330 feet from the
West line,

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Beeson "F" No. 4, located
1650 feet from the South
line and 2310 feet from the
West line,

Beeson "F" No. 5, located
2310 feet from the North
line and 1650 feet from the
East line,

Beeson "F" No. 11, located
1650 feet from the North
line and 330 feet from the
East line,

all in Section 31, Township 17 South, Range 30 East, NMPM, Eddy
County, New Mexico, and into the following wells to be drilled
at unorthodox locations, which are hereby approved:

State "A" No. 2, located
1295 feet from the South
line and 990 feet from the
East line of Section 36,
Township 17 South, Range
29 East,

Beeson "F" No. 16, located
2310 feet from the South
line and 1300 feet from the
West line of Section 31,
Township 17 South, Range
30 East,

Beeson "F" No. 17, located
2615 feet from the South
line and 25 feet from the
West line of Section 31,
Township 17 South, Range
30 East.

(2) That the following-described buffer zone is hereby
established wherein water can be injected and wells produced at
rates comparable with those in the Newmont Waterflood Project:

SECTION 31, TOWNSHIP 17 SOUTH, RANGE 30 EAST
SE/4 NE/4 NE/4, E/2 SE/4 NE/4, SW/4 SE/4 NE/4,
SE/4 SW/4 NE/4, SE/4 SW/4, S/2 SW/4 SW/4

SECTION 36, TOWNSHIP 17 SOUTH, RANGE 29 EAST
SE/4 SE/4

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(3) That all producing wells located outside the above-described buffer zone shall be operated and produced in accordance with the allowable provisions of Rule 701 of the Commission's Rules and Regulations, the project area being limited to that portion of the subject leases which is not included in the buffer zone.

(4) That production from wells outside the buffer zone shall be tanked separately from production from wells inside the buffer zone, unless the applicant receives approval from the Commission for some other satisfactory means of determining production from each of the two areas.

(5) That the applicant is hereby authorized to drill its Beeson "F" Well No. 15 as a producing well, at an unorthodox location 1660 feet from the North line and 1480 feet from the East line of Section 31, Township 17 South, Range 30 East.

(6) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



EDWIN L. MECHEM, Chairman



E. S. WALKER, Member



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

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