

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. 2579
Order No. R-2269

APPLICATION OF NEIL E. SALSICH
FOR APPROVAL OF A WATERFLOOD
PROJECT, EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on June 7, 1962, 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 21st day of June, 1962, 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, Neil E. Salsich, seeks approval of a waterflood project in the Square Lake Pool with the injection of water into the Grayburg formation to be through five wells located in Section 36, Township 16 South, Range 29 East, NMPM, Eddy County, New Mexico.

(3) That the wells in the proposed project area are in an advanced stage of depletion and should be classified as "stripper" wells.

(4) That approval of the subject application will neither cause waste nor impair correlative rights; provided, however, that unless agreed to by all parties, the transfer of allowables across lease lines where royalty ownership is diverse should not be authorized.

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(5) That an administrative procedure should be established whereby the General American Oil Company of Texas may be authorized to convert to water injection its Nunlee Federal Well No. 5, located in Unit H of Section 35, Township 16 South, Range 29 East, NMPM, Eddy County, New Mexico, upon application and notification to offset operators.

IT IS THEREFORE ORDERED:

(1) That the applicant, Neil E. Salsich, is hereby authorized to institute a waterflood project in the Square Lake Pool with the injection of water into the Grayburg formation through the following-described wells located in Section 36, Township 16 South, Range 29 East, NMPM, Eddy County, New Mexico:

Hollis State Well No. 1, Unit L;
Leonard State Well No. 1, Unit F;
Leonard State Well No. 2, Unit N;
Leonard State Well No. 4, Unit J; and
Leonard State Well No. 5, Unit D.

(2) That an administrative procedure is hereby established whereby the General American Oil Company of Texas may be authorized to convert to water injection its Nunlee Federal Well No. 5, located in Unit H of Section 35, Township 16 South, Range 29 East, NMPM, Eddy County, New Mexico, upon application to the Commission and notification of such application to the State Engineer Office and to all offset operators.

(3) That the waterflood project shall be governed by Rule 701, including the allowable provisions thereof.

PROVIDED HOWEVER, That unless otherwise agreed to by all parties and evidence thereof furnished the Commission, the transfer of allowables within the project area of this waterflood shall be authorized only insofar as the transfer is made between wells having common royalty ownership.


(4) 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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