

*Entered August 7 1962
W.S.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. 2582
Order No. R-2272

APPLICATION OF WATER FLOOD ASSOCIATES,
INC. FOR APPROVAL OF A WATERFLOOD PROJ-
ECT, 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, Water Flood Associates, Inc., is the operator of the SE/4 NE/4 of Section 20 and the W/2 NW/4 of Section 21, all in Township 18 South, Range 28 East, NMPM, Eddy County, New Mexico.

(3) That the applicant requests approval of a waterflood project in the Artesia Pool on the above-described lands with the injection of water to be through its Mershon State Well No. 3, located in the SW/4 SW/4 NW/4 of said Section 21.

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

(5) That approval of the subject application will neither cause waste nor impair correlative rights; provided, however,

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that unless agreed to by all parties, the transfer of allowables across lease lines where royalty ownership is diverse should not be authorized.

IT IS THEREFORE ORDERED:

(1) That the applicant, Water Flood Associates, Inc., is hereby authorized to institute a waterflood project in the Artesia Pool by the injection of water through its Mershon State Well No. 3, located in the SW/4 SW/4 NW/4 of Section 21, Township 18 South, Range 28 East, NMPM, Eddy County, New Mexico.

(2) 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.

(3) 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.

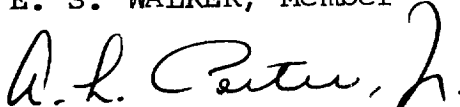
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



EDWIN L. MECHEM, Chairman



E. S. WALKER, Member



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

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