

*Entered
September 17, 1963
A. H. 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. 2838
Order No. R-2550

APPLICATION OF CONTINENTAL OIL
COMPANY FOR A WATERFLOOD PROJECT,
CHAVES COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on June 26, 1963, 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 14th day of August, 1963, 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, Continental Oil Company, seeks authority to institute a waterflood project in the Caprock-Queen Pool by the injection of water into the Queen formation through 17 wells located in Sections 23, 27, 34, and 35, Township 14 South, Range 31 East, NMPM, Chaves County, New Mexico.

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

(4) That the proposed waterflood project is in the interest of conservation and should result in recovery of otherwise unrecoverable oil, thereby preventing waste.

(5) That the subject application should be approved and the project should be governed by the provisions of Rule 701 of the Commission Rules and Regulations.

-2-

CASE No. 2838

Order No. R-2550

IT IS THEREFORE ORDERED:

(1) That the applicant, Continental Oil Company, is hereby authorized to institute a waterflood project in the Caprock-Queen Pool by the injection of water into the Queen formation through the following-described 17 wells in Township 14 South, Range 31 East, NMPM, Chaves County, New Mexico:

Section 23:

Bill A. Shelton Hardin-Simmons Well No. 1,
located in Unit M.

Section 27:

Cottage Bakers Gulf State Well No. 2,
located in Unit A;
Gulf State "D" Well No. 8, located in Unit E;
Gulf State "D" Well No. 11, located in Unit G;
Gulf State "D" Well No. 4, located in Unit K;
Gulf State "D" Well No. 5, located in Unit I;
Gulf State "D" Well No. 1, located in Unit M;
Gulf "D" Well No. 9, located in Unit O.

Section 34:

Conoco State R-34 Well No. 8, located in Unit A;
Texas Pacific Coal & Oil (Frankfort) State L
Well No. 2, located in Unit C;
Gulf State "BKC" Well No. 3, located in Unit E;
Gulf State "BKC" Well No. 1, located in Unit M;
Gulf State "BKC" Well No. 5, located in Unit K;
Conoco State R-34 Well No. 6, located in Unit I;
Conoco State R-34 Well No. 1, located in Unit G;
Conoco State R-34 Well No. 3, located in Unit O.

Section 35:

Conoco State W-35 Well No. 1, located in Unit E.

(2) That injection through the above-described wells shall be in accordance with the following:

- (a) Injection into the Bill A. Shelton Hardin-Simmons Well No. 1, the Gulf State "D" Well No. 9, and the Cottage Bakers Gulf State Well No. 2 shall be through tubing and under a packer set at least 200 feet below the top of the production string cement.
- (b) Injection into the Conoco State R-34 Wells Nos. 3, 6, and 8 may be through tubing or

-3-

CASE No. 2838
Order No. R-2550

through casing, at the discretion of the operator.

- (c) Injection into the remaining eleven wells may be through tubing and under a packer set at least 200 feet below the top of the production string cement or through casing; provided, however, that if injection is through the casing of any well, the casing of such well shall be pressure-tested to 2000 psi prior to conversion of the well to water injection and shall be tested annually thereafter to a pressure of at least 200 psi in excess of the anticipated maximum injection pressure during the ensuing year. The Hobbs District Office of the Commission shall be notified of time when such pressure tests are to be conducted.

(3) That the subject waterflood project shall be governed by the provisions of Rule 701 of the Commission Rules and Regulations, including the allowable provisions thereof, and including the provisions with respect to expansion of the waterflood project.

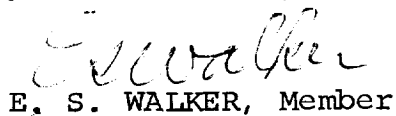
(4) That monthly progress reports of the waterflood project herein authorized shall be submitted to the Commission in accordance with Rules 704 and 1119 of the Commission Rules and Regulations.

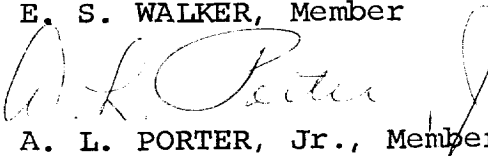
(5) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


JACK M. CAMPBELL, Chairman


E. S. WALKER, Member


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

S E A L

esr/