BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

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IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION OF NEW MEXICO FOR THE PURPOSE OF CONSIDERING:

> CASE No. 3034 Order No. R-2698

APPLICATION OF SHELL OIL COMPANY FOR A WATERFLOOD PROJECT, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on April 29, 1964, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this <u>8th</u> day of May, 1964, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, 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, Shell Oil Company, seeks authority to institute a waterflood project in the Langlie-Mattix Pool by the injection of water into the Queen formation through nine wells in Sections 14 and 23, Township 24 South, Range 37 East, NMPM, Lea County, New Mexico.

(3) That the wells in the proposed 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. -2-CASE No. 3034 Order No. R-2698

(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.

IT IS THEREFORE ORDERED:

(1) That the applicant, Shell Oil Company, is hereby authorized to institute a waterflood project in the Langlie-Mattix Pool by the injection of water into the Queen formation through the following-described nine wells in Township 24 South, Range 37 East, NMPM, Lea County, New Mexico:

Well	Unit	Section
Shell-JAE Knight Well No. 6	к	14
Shell-Humble Knight Well No. 1	М	14
Shell-Humble Knight Well No. 10	0	14
Shell-Gulf Lillie Well No. 3	С	23
Shell-Gulf Lillie Well No. 2	E	23
Shell-Humble Knight Well No. 3	G	23
Shell-Humble Knight Well No. 8	I	23
Shell-Plains Knight Well No. l	K	23
Shell-Humble Knight Well No. 6	0	23

<u>PROVIDED HOWEVER</u>, That any of the aforesaid wells which is completed below the base of the Queen formation shall be plugged back to the base of the Queen formation upon conversion to water injection.

(2) 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.

(3) 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.

(4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary. -3-CASE No. 3024 Order No. R-2698

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

> STATE OF NEW MEXICO OIL CONSERVATION COMMISSION ACK M. CAMPBELLI Chairman E. S. WALKER, Member A. L. PORTER, Jr., Member & Secretary

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