

*Entered November 9, 1966  
A.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. 3480  
Order No. R-3097-A

APPLICATION OF TIDEWATER OIL COMPANY  
FOR A CAPACITY ALLOWABLE, LEA COUNTY,  
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on November 2, 1966, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 9th day of November, 1966, 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 by Order No. R-3097, dated August 1, 1966, the applicant, Tidewater Oil Company, was authorized to produce its GO State "J" Well No. 1, located in Unit H of Section 7, Township 17 South, Range 33 East, NMPM, Maljamar Pool, Lea County, New Mexico, at its maximum capacity for a temporary period not to exceed 90 days from the date of said order.

(3) That said order also provided that the applicant's GO State "J" Well No. 1 would be eligible to share in the Malmar Unit Waterflood Project allowable at the termination of the temporary 90-day maximum capacity production period authorized by said order, provided the SE/4 NE/4 of Section 7, Township 17 South, Range 33 East, NMPM, Lea County, New Mexico had been unitized with acreage lying directly south and west

-2-

CASE No. 3480

Order No. R-3097-A

thereof in the Malmar Unit Waterflood Project area and said unitization had been approved by the Commission.

(4) That said order was issued in order to prevent waste by permitting the production of otherwise unrecoverable oil.

(5) That the applicant now seeks to amend said Order No. R-3097 to permit said well to be produced at capacity for additional time and the establishment of an administrative procedure for further extensions.

(6) That the subject well is now capable of producing in excess of its presently assigned allowable.

(7) That the applicant is making an effort to unitize the SE/4 NE/4 of Section 7, Township 17 South, Range 33 East, NMPM, Lea County, New Mexico, with the acreage lying directly south and west in the Malmar Unit Waterflood Project Area.

(8) That the applicant should continue its efforts to unitize the said quarter-quarter section with said acreage lying directly south and west thereof, or with acreage in the waterflood project proposed by the Shenandoah Oil Corporation lying directly to the north and east of the said quarter-quarter section.

(9) That no objection was made to the request that said order be amended to permit said well to be produced at capacity for additional time and the establishment of an administrative procedure for further extensions.

(10) That Order No. R-3097 should be amended to permit the applicant to continue to produce said well at its maximum capacity for an additional temporary period until February 1, 1967.

(11) That Order No. R-3097 should be amended to provide an administrative procedure whereby the Secretary-Director of the Commission may approve further extensions of time in which to produce said well at capacity.

(12) That approval of the subject application will prevent waste in permitting the production of otherwise unrecoverable oil and will not violate correlative rights.

-3-

CASE No. 3480

Order No. R-3097-A

IT IS THEREFORE ORDERED:

(1) That Order No. R-3097 is hereby amended to authorize the applicant, Tidewater Oil Company, to continue to produce its GO State "J" Well No. 1, located in Unit H of Section 7, Township 17 South, Range 33 East NMPM, Lea County, New Mexico, at its maximum capacity for an additional temporary period until February 1, 1967; provided, however, that the Secretary-Director of the Commission may approve extensions of said time, as may be necessary to prevent waste and protect correlative rights, if the SE/4 NE/4 of Section 7, Township 17 South, Range 33 East, NMPM, Lea County, New Mexico, has not been unitized at the termination of the additional temporary 90-day maximum capacity production period authorized by this order.

(2) That to obtain administrative approval for an extension of time in which to produce the subject well at its maximum capacity, the operator shall submit in triplicate a request for such authority. The application shall include evidence that efforts to unitize have been made and have not been successful. The application shall include evidence that all offset operators have been furnished a complete copy of this application.

The Secretary-Director of the Commission may approve an extension of time in which the subject well may be produced at its maximum capacity upon receipt of waivers from all offset operators or upon expiration of a 20-day waiting period, provided no offset operator has objected to the application.

(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

*Jack M. Campbell*  
JACK M. CAMPBELL, Chairman

*Guyton B. Hays*  
GUYTON B. HAYS, Member

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

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