

*Entered June 18, 1968
C.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. 3779
Order No. R-3431

APPLICATION OF SHENANDOAH OIL CORPORATION
FOR A WATERFLOOD PROJECT, EDDY COUNTY, NEW
MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on June 5, 1968,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 18th day of June, 1968, 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, Shenandoah Oil Corporation, seeks
permission to institute a waterflood project in the Shugart Pool
by the injection of water into the Yates, Seven Rivers, Queen,
and Grayburg formations through five injection wells located in
Units F and N of Section 29, and Units A, G, and I of Section 30,
all in Township 18 South, Range 31 East, NMPM, Eddy County, New
Mexico.

(3) That the applicant further seeks an administrative
procedure whereby said project could be expanded to include
additional lands and injection wells in the area of said project
as may be necessary in order to complete an efficient injection
pattern; that said administrative procedure should provide for
administrative approval for conversion to water injection
in exception to the well response requirements of Rule 701 E-5
of the Commission Rules and Regulations.

-2-

CASE No. 3779

Order No. R-3431

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

(5) That the proposed waterflood project should result in the recovery of otherwise unrecoverable oil, thereby preventing waste.

(6) That the subject application should be approved and the project should be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations; provided however, that the showing of well response as required by Rule 701 E-5 shall not be necessary before obtaining administrative approval for the conversion of additional wells to water injection.

IT IS THEREFORE ORDERED:

(1) That the applicant, Shenandoah Oil Corporation, is hereby authorized to institute a waterflood project in the Shugart Pool by the injection of water into the Yates, Seven Rivers, Queen, and Grayburg formations through the following-described wells in Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico:

<u>LEASE</u>	<u>WELL NUMBER</u>	<u>LOCATION</u>
Kenwood-Federal	3	Unit F - Section 29
Shugart "A"	8	Unit N - Section 29
Shugart "D"	8	Unit A - Section 30
Shugart "D"	1	Unit G - Section 30
Shugart "C"	3	Unit I - Section 30

(2) That the subject waterflood project is hereby designated the Shenandoah Shugart Waterflood Project and shall be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations;

PROVIDED HOWEVER, that the Secretary-Director of the Commission may approve expansion of the Shenandoah Shugart Waterflood Project to include such additional lands and injection wells in the area of the project as may be necessary to complete an efficient water injection pattern; that the showing of well response as required by Rule 701 E-5 shall not be necessary before obtaining administrative approval for the conversion of additional wells to water injection.

-3-

CASE No. 3779
Order No. R-3431

(3) That monthly progress reports of the waterflood project herein authorized shall be submitted to the Commission in accordance with Rules 704 and 1120 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.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

DAVID F. CARGO, Chairman


GUYTON B. HAYS, Member


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

S E A L

esr/