Entered January 24,1769

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. 4035 Order No. R-3668

APPLICATION OF PHILLIPS PETROLEUM COMPANY FOR A WATERFLOOD PROJECT, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on January 22, 1969, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 24th day of January, 1969, 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, Phillips Petroleum Company, seeks permission to institute a waterflood project in the Maljamar Grayburg-San Andres Pool by the injection of water into the Grayburg-San Andres formations through its Philmex Well No. 5, located in Unit N of Section 27, Township 17 South, Range 33 East, NMPM, Lea 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 should result in the recovery of otherwise unrecoverable oil, thereby preventing waste.

-2-CASE No. 4035 Order No. R-3668

(5) 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.

IT IS THEREFORE ORDERED:

- (1) That the applicant, Phillips Petroleum Company, is hereby authorized to institute a waterflood project in the Maljamar Grayburg-San Andres Pool by the injection of water into the Grayburg-San Andres formations through its Philmex Well No. 5, located in Unit N of Section 27, Township 17 South, Range 33 East, NMPM, Lea County, New Mexico.
- (2) That the subject waterflood project is hereby designated the Phillips Maljamar Philmex Waterflood Project and shall be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.
- (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

ALEX J. ARMIJO, Chairman

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

SEAL

esr/