Entered Morenter 10, 1569

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. 4248 Order No. R-3871

APPLICATION OF J. J. TRAVIS 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 November 5, 1969, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 10th day of November, 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, J. J. Travis, seeks permission to institute a waterflood project in his North Shugart Queen Unit Area, Shugart (Yates-Seven Rivers-Queen-Grayburg) Pool, by the injection of water into the Queen formation through nine injection wells at orthodox and unorthodox locations in Sections 20 and 21, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico.
- (3) That the applicant further seeks the establishment of an administrative procedure whereby the Secretary-Director of the Commission may authorize additional injection wells at orthodox and unorthodox locations within said waterflood project area as may be necessary to complete an efficient injection pattern without the necessity of showing well response.

-2-CASE No. 4248 Order No. R-3871

- (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, and provided further, that said injection wells are drilled no closer than 330 feet to the outer boundary of the North Shugart Queen Unit nor closer than 10 feet to any quarter-quarter section or subdivision inner boundary.

IT IS THEREFORE ORDERED:

- (1) That the applicant, J. J. Travis, is hereby authorized to institute a waterflood project in his North Shugart Queen Unit Area, Shugart (Yates-Seven Rivers-Queen-Grayburg) Pool, by the injection of water into the Queen formation through the following-described wells at orthodox and unorthodox locations in Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico:
 - J. J. Travis Shugart Federal Well No. 1,
 located 2310 feet from the North line and
 330 feet from the East line of Section 20;

Chambers & Kennedy Gulf Federal Well No. 2, located 2310 feet from the South line and 330 feet from the East line of Section 20;

- J. J. Travis Littlefield Federal Well No. 1-AA, located 990 feet from the South line and 660 feet from the East line of Section 20;
- J. J. Travis Kenwood Federal Well No. 4, located 990 feet from the North line and 1650 feet from the West line of Section 21;

-3-CASE No. 4248 Order No. R-3871

- J. J. Travis Kenwood Federal Well No. 2, located 990 feet from the North line and 330 feet from the West line of Section 21;
- J. J. Travis Kenwood Federal Well No. 3, located 2310 feet from the North line and 1650 feet from the West line of Section 21;
- J. J. Travis Keohane Federal Well No. 2, located 2310 feet from the South line and 1650 feet from the West line of Section 21;

Mark Production Co. Texaco Federal Well No. 1, located 990 feet from the South line and 330 feet from the West line of Section 21;

- J. J. Travis Keohane Federal Well No. 3, located 300 feet from the South line and 1980 feet from the West line of Section 21.
- (2) That the subject waterflood project is hereby designated the North Shugart Queen Unit 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 such additional injection wells at orthodox and unorthodox locations within said waterflood project area as may be necessary to complete an efficient injection pattern; provided said wells are drilled no closer than 330 feet to the outer boundary of the North Shugart Queen Unit nor closer than 10 feet to any quarter-quarter section or subdivision inner boundary, and provided further, that the application therefor has been filed in accordance with Rule 701 B of the Commission Rules and Regulations, and provided further, that a copy of the application has been sent to all offset operators, if any there be, and no such operator has objected within 15 days. 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) 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-CASE No. 4248 Order No. R-3871

(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 COMSERVATION COMMISSION

DAVID F. CARGO, Chairman

KLEX J. AMIJO, Momber

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

SEAL