Entered Konumber 10, 1969

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. 4250 Order No. R-3872

APPLICATION OF McCRARY & FRANKLIN 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, McCrary & Franklin, seeks permission to institute a waterflood project in the Square Lake Pool by the injection of water into the Grayburg-San Andres formation through its Shipley Well No. 2 located in Unit K of Section 3, Township 17 South, Range 29 East, NMPM, Eddy 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.

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(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, McCrary & Franklin, is hereby authorized to institute a waterflood project in the Square Lake Pool by the injection of water into the Grayburg-San Andres formation through its Shipley Well No. 2, located in Unit K of Section 3, Township 17 South, Range 29 East, NMPM, Eddy County, New Mexico.
- (2) That the subject waterflood project is hereby designated the McCrary & Franklin Square Lake Shipley 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 COMSERVATION COMMISSION

DAVID F. CARGO, Chairman

LEX J. ARMIJO Member

SEAL

L. PORTER, Jr., Member & Secretary

esr/