

*Entered May 12, 1970
C.L.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. 4348
Order No. R-3962

APPLICATION OF YATES DRILLING 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 April 29, 1970, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 12th day of May, 1970, 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, Yates Drilling Company, seeks permission to institute a waterflood project in its North Vacuum (San Andres) Unit Area, Vacuum Grayburg-San Andres Pool, by the injection of water into the San Andres formation through nine injection wells in Sections 1, 2, 11, and 12, Township 17 South, Range 34 East, NMPM, Lea 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 the 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. 4348

Order No. R-3962

(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 should not be necessary before obtaining administrative approval for the conversion of additional wells to water injection.

IT IS THEREFORE ORDERED:

(1) That the applicant, Yates Drilling Company, is hereby authorized to institute a waterflood project in its North Vacuum (San Andres) Unit Area, Vacuum Grayburg-San Andres Pool, by the injection of water into the San Andres formation through the following-described wells in Township 17 South, Range 34 East, NMPM, Lea County, New Mexico:

Unit Tract 1 - Well No. 1 - Unit M - Section 1
Unit Tract 3 - Well No. 2 - Unit O - Section 2
Unit Tract 3 - Well No. 4 - Unit G - Section 2
Unit Tract 5 - Well No. 2 - Unit M - Section 2
Unit Tract 6 - Well No. 2 - Unit E - Section 2
Unit Tract 4 - Well No. 2 - Unit G - Section 11
(A water injection and gas production dual completion)
Unit Tract 4 - Well No. 4 - Unit A - Section 11
Unit Tract 2 - Well No. 1 - Unit E - Section 12
(A water injection and gas production dual completion)
Unit Tract 2 - Well No. 4 - Unit C - Section 12

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

-3-

CASE No. 4348

Order No. R-3962

PROVIDED HOWEVER, that the Secretary-Director of the Commission may approve expansion of the Yates North Vacuum Unit Waterflood Project to include such additional lands and injection wells in the area of said 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) 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.

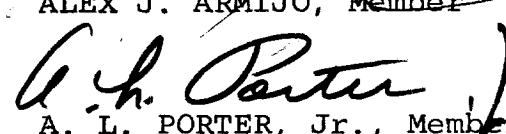
(4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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, Member


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

S E A L

esr/