

Entered May 20, 1970
A.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. 4346
Order No. R-3968

APPLICATION OF YATES DRILLING COMPANY
FOR A PRESSURE MAINTENANCE EXPANSION
AND PROMULGATION OF RULES THEREFOR,
EDDY 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 20th 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 Order No. R-3852, dated October 14, 1969, authorized S. P. Yates to institute a pressure maintenance project in the West McMillan Seven Rivers-Queen Pool by the injection of water into the Queen formation through his Anderson Well No. 2, located 2310 feet from the South line and 990 feet from the East line of Section 11, Township 20 South, Range 26 East, NMPM, Eddy County, New Mexico; that said project was designated the S. P. Yates West McMillan Anderson Pressure Maintenance Project.

(3) That the applicant, Yates Drilling Company, now seeks to expand said project by the conversion to water injection of two additional wells located in Units O and P of said Section 11, designation of the project area comprising the SE/4 of said

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Section 11 and the S/2 NW/4, SW/4, N/2 SE/4, and NE/4 of Section 12, same Township and Range, and the promulgation of special rules and Regulations governing said project.

(4) That as numerous leases are involved, five separate pressure maintenance projects should be established.

(5) That the pressure maintenance projects are in the interest of conservation and should result in greater ultimate recovery of oil, thereby preventing waste.

(6) That the applicant should be authorized to establish five pressure maintenance projects in the above-described area and the projects should be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations insofar as said Rules and Regulations are not inconsistent with this order.

(7) That Order No. R-3852 should be superseded.

IT IS THEREFORE ORDERED:

(1) That the applicant, Yates Drilling Company, is hereby authorized to establish the five following pressure maintenance projects in the West McMillan Seven Rivers-Queen Pool, Township 20 South, Range 26 East, NMPM, Eddy County, New Mexico, by the injection of water into the Queen formation:

Yates Drilling Company West McMillan Anderson Pressure Maintenance Project

Project Area:

Section 11: SE/4
Section 12: S/2 NW/4

Injection Wells:

Anderson Well No. 2 - Unit I - Section 11
Anderson Well No. 3 - Unit O - Section 11
Anderson Well No. 4 - Unit P - Section 11

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Yates Drilling Company West McMillan Galvin Pressure
Maintenance Project

Project Area:

Section 12: S/2 SW/4 and N/2 SE/4

Yates Drilling Company West McMillan Riggs Pressure
Maintenance Project

Project Area:

Section 12: N/2 SW/4

Yates Drilling Company West McMillan Bowers Pressure
Maintenance Project

Project Area:

Section 12: SW/4 NE/4 and N/2 NE/4

Yates Drilling Company West McMillan Pecos River Deep Pressure
Maintenance Project

Project Area:

Section 12: SE/4 NE/4

(2) That each of the above-described pressure maintenance projects shall be assigned an allowable in accordance with Rule 701 E, Sections 1 through 4, of the Commission Rules and Regulations.

(3) That the above-described pressure maintenance projects shall be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations insofar as said Rules and Regulations are not inconsistent with this order.

(4) That monthly progress reports of the projects herein authorized shall be submitted to the Commission in accordance with Rules 704 and 1120 of the Commission Rules and Regulations.

(5) That the Secretary-Director of the Commission may approve such producing wells and injection wells at orthodox

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and unorthodox locations within each of the above-described project areas as may be necessary to effect an efficient production and injection pattern; provided said wells are drilled no closer than 330 feet to the outer boundary of a lease nor closer than 10 feet to any quarter-quarter section or subdivision inner boundary, and provided that the application therefor has been filed in accordance with Rule 701 B of the Commission Rules and Regulations. 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.

(6) That as to the West McMillan Anderson Pressure Maintenance Project this order shall become effective immediately.

(7) That as to each of the West McMillan Galvin, Riggs, Bowers, and Pecos River Deep Pressure Maintenance Projects this order shall become effective on the date the Secretary-Director approves an injection well for the project pursuant to the provisions of Order (5) above.

(8) That Order No. R-3852 is hereby superseded.


(9) 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

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