

*Entered November 2, 1970  
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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. 4440  
Order No. R-4050

APPLICATION OF MORAN OIL PRODUCING  
& DRILLING CORPORATION FOR A WATER-  
FLOOD PROJECT, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9:30 a.m. on October 14, 1970, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 2nd day of November, 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, Moran Oil Producing & Drilling Corporation, seeks authority to institute a pilot waterflood project in the Hobbs Pool by the injection of water into the Grayburg formation through its Rice Well No. 4 in the NW/4 NE/4 of Section 13, Township 18 South, Range 37 East, NMPM, Lea County, New Mexico.

(3) That the applicant further seeks an administrative procedure whereby said project could be expanded to include additional 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.

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(4) That the wells in the proposed 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, Moran Oil Producing & Drilling Corporation, is hereby authorized to institute a pilot waterflood project in the Hobbs Pool on its "Rice" Lease in the NE/4 of Section 13, Township 18 South, Range 37 East, NMPM, Lea County, New Mexico, by the injection of water into the Grayburg formation through its Rice Well No. 4, located in the NW/4 NE/4 of said Section 13, and the project is hereby designated the Moran Hobbs Rice Waterflood Project.

(2) That the Secretary-Director of the Commission may approve the institution of an additional waterflood project in the Hobbs Pool on the applicant's "B" Lease in the NW/4 of Section 18, Township 18 South, Range 38 East, NMPM, Lea County, New Mexico, upon the completion of a water injection well for said pool on said lease.

(3) That the above-described waterflood projects 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 expansion of the above-described waterflood projects to include such additional injection wells in the areas of said projects as may be necessary to complete efficient water injection patterns; 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.

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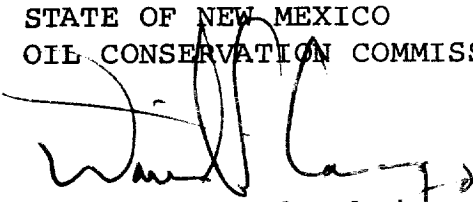
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(4) That monthly progress reports of the waterflood projects herein authorized shall be submitted to the Commission in accordance with Rules 704 and 1120 of the Commission Rules and Regulations.

(5) 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.

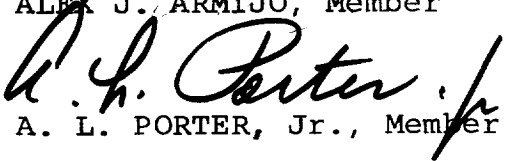
STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION



DAVID F. CARGO, Chairman



ALEX J. ARMIJO, Member



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

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