

*Entered November 27, 1972*  
*(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. 4861  
Order No. R-4239-A

APPLICATION OF CITIES SERVICE  
OIL COMPANY FOR THE AMENDMENT  
OF ORDER NO. R-4239, EDDY  
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on November 14, 1972, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 27th day of November, 1972, 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 Commission entered Order No. R-4239 on January 12, 1972, which order pooled all mineral interests in the South Carlsbad-Morrow Gas Pool underlying the N/2 of Section 19, Township 22 South, Range 27 East, NMPM, Eddy County, New Mexico, to form a 320-acre gas proration unit to be dedicated to a well to be drilled at an unorthodox gas well location 2,173 feet from the North line and 1,200 feet from the East line of said Section 19.

(3) That said order also designated Cities Service Oil Company as operator of the subject well and unit, and fixed \$60.00 per month as a reasonable charge for supervision (combined fixed rates) for the subject well.

(4) That the applicant in the instant case, Cities Service Oil Company, seeks the amendment of said Order No. R-4239 to provide for the drilling of the unit well for the N/2 of said Section 19 at a standard gas well location for the South Carlsbad-Morrow Gas Pool at a point 1980 feet from the North line and 1980 feet from the West line of said Section 19; that the applicant further seeks the amendment of said order to provide \$200.00 per month as the charge for supervision (combined fixed rates) for the subject well.

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(5) That the proposed standard location of the unit well is in the interest of conservation, will prevent waste and will protect correlative rights.

(6) That a reasonable charge for supervision (combined fixed rates) for the subject well is \$160.00 per month.

(7) That Commission Order No. R-4239 should be amended to provide for the drilling of the unit well at a standard location and to provide \$160.00 per month as the reasonable charge for supervision (combined fixed rates) for the subject well.

IT IS THEREFORE ORDERED:

(1) That Order (1) of Commission Order No. R-4239, Case No. 4643, be and the same is hereby amended to read in its entirety as follows:

"(1) That all mineral interests, whatever they may be, in the South Carlsbad-Morrow Gas Pool underlying the N/2 of Section 19, Township 22 South, Range 27 East, NMPM, Eddy County, New Mexico, are hereby pooled to form a 320-acre gas proration unit to be dedicated to a well to be drilled at a standard gas well location 1980 feet from the North line and 1980 feet from the West line of said Section 19."

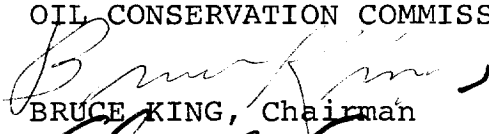
(2) That Order (9) of said Order No. R-4239 be and the same is hereby amended to read in its entirety as follows:

"(9) That \$160.00 per month is hereby fixed as a reasonable charge for supervision (combined fixed rates) for the subject well; that the operator is hereby authorized to withhold from production the proportionate share of such supervision charge attributable to each non-consenting working interest, and in addition thereto, the operator is hereby authorized to withhold from production the proportionate share of actual expenditures required for operating the subject well, not in excess of what are reasonable, attributable to each non-consenting working interest."

(3) 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

  
BRUCE KING, Chairman

  
ALEX J. ARMILLO, Member

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

S E A L

dr/

*Entered January 12, 1972*  
*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. 4641  
Order No. R-4240

APPLICATION OF RESERVE OIL AND  
GAS COMPANY FOR A WATERFLOOD  
EXPANSION, LEA COUNTY, NEW  
MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on January 5, 1972, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 12th day of January, 1972, 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, Reserve Oil and Gas Company, seeks authority to expand its South Langlie Jal Unit Jalmat Waterflood Project in the Jalmat Oil Pool by the conversion to water injection of its Unit Well No. 23 located 2310 feet from the South line and 2310 feet from the West line of Section 17, Township 25 South, Range 37 East, NMPM, Lea 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 expansion of the subject 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 expanded 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, Reserve Oil and Gas Company, is hereby authorized to expand its South Langlie Jal Unit Jalmat Waterflood Project in the Jalmat Oil Pool by the injection of water into the Seven Rivers and Queen formations through its Unit Well No. 23 located 2310 feet from the South line and 2310 feet from the West line of Section 17, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico.

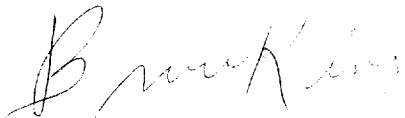
(2) That the expanded waterflood project shall be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

(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.

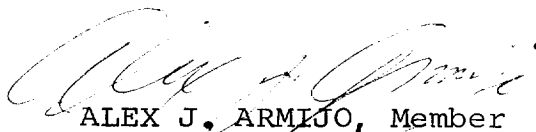
(4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

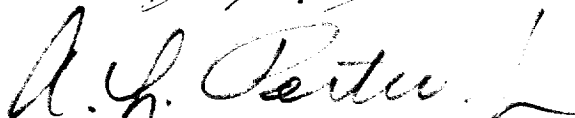
STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION



BRUCE KING, Chairman



ALEX J. ARMIJO, Member



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

S E A L

dr/