

*Entered March 15, 1972*

*R.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. 4563  
Order No. R-4276

APPLICATION OF CORINNE GRACE FOR  
SPECIAL GAS-OIL RATIO LIMITATION  
AND PRESSURE MAINTENANCE PROJECT,  
CHAVES COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on March 1, 1972,  
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 15th day of March, 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, Corinne Grace, is the owner and  
operator of the Grace State Wells Nos. 1 and 2 located in Units  
A and B, respectively, of Section 1, Township 15 South, Range 29  
East, NMPM, Double L-Queen Associated Pool, Chaves County, New  
Mexico.

(3) That the Special Rules and Regulations for the Double L-  
Queen Associated Pool provide that a well shall be classified as  
a gas well if it has a gas-liquid ratio of 30,000 or more cubic  
feet of gas per barrel of liquid hydrocarbons and shall be  
classified as an oil well if it has a gas-liquid ratio of less  
than 30,000 cubic feet of gas per barrel of liquid hydrocarbons.

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(4) That said rules provide that the limiting gas-oil ratio for the pool shall be 2000 cubic feet of gas for each barrel of oil produced.

(5) That said Special Rules and Regulations limit the total amount of gas that can be produced by either an oil well or a gas well.

(6) That the applicant seeks authority, as an exception to the Special Rules and Regulations for the Double L-Queen Associated Pool, to produce the Grace State Well No. 1 as an oil well with no limitation upon gas production from said well, separate the gas from the liquids by ordinary separation methods, and institute a pressure maintenance project by injecting all of said gas back into the producing formation through the Grace State Well No. 2.

(7) That unlimited gas production from the Grace State Well No. 1 will not cause waste nor violate correlative rights, provided said well produces no more than a 40-acre oil allowable for the pool and provided further that all gas produced by said well is reinjected into the producing formation through the Grace State Well No. 2.

(8) That the proposed pressure maintenance project is in the interest of conservation and should result in greater ultimate recovery of oil, thereby preventing waste.

(9) That for the purposes of the proposed pressure maintenance project, the Grace State Well No. 1 should be classified as a producing oil well with a 40-acre oil allowable and that the Grace State Well No. 2 should be classified as a gas injection well with no allowable.

(10) That all gas produced by said Well No. 1 should be measured and all gas injected through said Well No. 2 should be measured.

(11) That the subject application should be approved and the pressure maintenance project should be governed by the provisions of Rules 701, 702, 703, and 704 of the Commission Rules and Regulations insofar as said rules are not inconsistent with this order.

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IT IS THEREFORE ORDERED:

(1) That the applicant, Corinne Grace, is hereby authorized to institute a pressure maintenance project in the Double L-Queen Associated Pool, Chaves County, New Mexico, designated as the Grace Double L-Pressure Maintenance Project, by the injection of gas into the Queen formation in accordance with the following terms and conditions:

(a) The producing oil well for the project, the Grace State Well No. 1 located in Unit A of Section 1, Township 15 South, Range 29 East, NMPM, may produce up to a 40-acre top unit oil allowable with no limitation upon the amount of gas produced.

(b) That all gas produced by said Grace State Well No. 1 shall be injected into the producing formation of the Double L-Queen Associated Pool through the Grace State Well No. 2 located in Unit B of Section 1, Township 15 South, Range 29 East, NMPM.

(c) That injection of gas into the Grace State Well No. 2 shall be accomplished through 8 5/8-inch casing; that the wellhead shall be equipped with a pressure gauge properly maintained in working order.

(d) That all gas produced by the Grace State Well No. 1 and all gas injected through the Grace State Well No. 2 shall be measured by use of meters.

(e) That the applicant shall notify the Artesia District Office of the Commission of the commencement of injection within seven days of the date of first injection.

(f) That the project shall be governed by the provisions of Rules 701, 702, 703, and 704 of the Commission Rules and Regulations insofar as said rules are not inconsistent with this order.

(g) That monthly progress reports of the pressure maintenance project shall be submitted to the Commission in accordance with Rules 704 and 1120 of the Commission Rules and Regulations.

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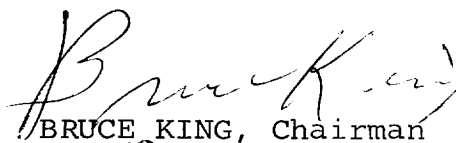
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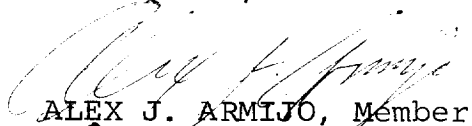
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(2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

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