

*Entered September 26, 1973  
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. 5062  
Order No. R-4633

APPLICATION OF CONTINENTAL OIL  
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 September 5, 1973, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 26th day of September, 1973, 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, Continental Oil Company, seeks authority to institute a waterflood project on its Mitchell Lease, Maljamar Pool, by the injection of water into the Grayburg-San Andres formation through two injection wells in Section 5, Township 17 South, Range 32 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 waterflood project should result in the recovery of otherwise unrecoverable oil, thereby preventing waste.

(5) That the operator should take all steps necessary to ensure that the injected water enters only the proposed injection interval and is not permitted to escape to other formations or onto the surface from injection, production, or plugged and abandoned wells.

-2-

Case No. 5062

Order No. R-4633

(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.

IT IS THEREFORE ORDERED:

(1) That the applicant, Continental Oil Company, is hereby authorized to institute a waterflood project on its Mitchell Lease, Maljamar Pool, by the injection of water into the Grayburg-San Andres formation in the open-hole interval in the following-described wells in Township 17 South, Range 32 East, NMPM, Lea County, New Mexico:

Mitchell Well No. 2	Unit P	Section 5
Mitchell Well No. 6	Unit J	Section 5

(2) That the subject waterflood project is hereby designated the Continental Maljamar Mitchell Waterflood Project and shall be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

(3) That injection into each of the aforesaid two wells shall be through internally cement-lined tubing set in a packer as close as is practicable to the casing shoe, and the casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge or other leak-sensing device in order to detect any leakage in the tubing, casing, or packer.

(4) That the operator shall immediately notify the supervisor of the Commission's Hobbs district office of the failure of the casing, tubing, or packer in any of said injection wells, the leakage of water or oil from around any producing well, or the leakage of water or oil from any plugged and abandoned well within the project area and shall take such timely steps as may be necessary or required to correct such failure or leakage.

(5) 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.

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

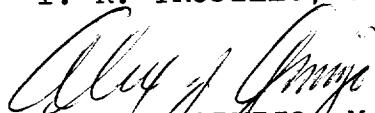
-3-

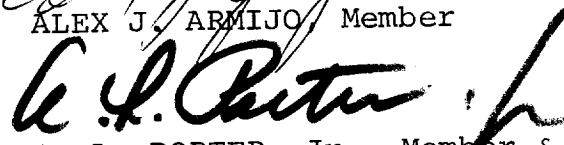
Case No. 5062  
Order No. R-4633

DONE at Santa Fe, New Mexico, on the day and year herein-  
above designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

  
I. R. TRUJILLO, Chairman

  
ALEX J. ARMIJO, Member

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

S E A L

dr/