

Continued September 3, 1974
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. 5294
Order No. R-4847

APPLICATION OF SHENANDOAH OIL
CORPORATION FOR A BUFFER ZONE
ALLOWABLE, EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on August 21, 1974, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 3rd day of September, 1974, 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, Shenandoah Oil Corporation, is the operator of the Gissler "A" lease comprising the E/2 NW/4 of Section 23, Township 17 South, Range 30 East, NMPM, Grayburg Jackson Pool, Eddy County, New Mexico.

(3) That said Gissler "A" lease is immediately offset on the North, East, and South by active waterflood projects in said pool.

(4) That applicant's Gissler "A" Lease Wells No. 1 and 3 located on Units C and F of said Section 23 have experienced a response to the injection of water into the Grayburg Jackson Pool in the offsetting waterflood projects.

(5) That if applicant's said Gissler "A" Lease Wells No. 1 and 3 are not permitted to produce at capacity, oil may be swept from under said lease across lease lines onto other producing leases or onto undrilled acreage to the East.

(6) That to prevent waste and to protect correlative rights, applicant's Gissler "A" Lease should be designated a waterflood project buffer zone in the Grayburg Jackson Pool, Eddy County, New Mexico, and applicant's wells thereon should be permitted to produce at capacity.

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(7) That the subject application should be approved and that monthly Buffer Zone Project reports should be filed with the Commission on Form C-120.

IT IS THEREFORE ORDERED:

(1) That Shenandoah Oil Company's Gissler "A" Lease consisting of the E/2 NW/4 of Section 23, Township 17 South, Range 30 East, NMPM, Grayburg Jackson Pool, Eddy County, New Mexico, is hereby designated a waterflood project area buffer zone.

(2) That applicant's wells in said buffer zone may be assigned allowables which will permit said wells to produce at capacity.

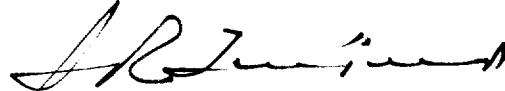
(3) That the applicant shall file a Buffer Zone Project report monthly with the Artesia District Office of the Commission on Commission Form C-120 setting out thereon all pertinent data.

(4) That such Buffer Zone Project report shall be filed commencing with the month of first allowable assignment in excess of the pool top unit allowable to any well within the buffer zone.

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

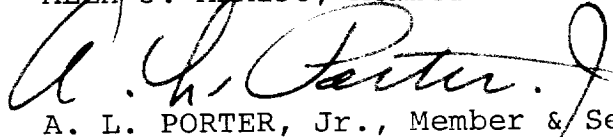
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



I. R. TRUJILLO, Chairman

ALEX J. ARMIJO, Member



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

S E A L

jr/