

Entered September 16, 1976
JDR

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. 5751
Order No. R-5282

APPLICATION OF PHILLIPS PETROLEUM
COMPANY FOR A SPECIAL ALLOWABLE,
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on September 1, 1976, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 16th day of September, 1976, 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, Phillips Petroleum Company, is the owner and operator of the U. S. Minerals Well No. 4 located in Unit O of Section 30, Township 17 South, Range 33 East, NMPM, Maljamar Grayburg-San Andres Pool, Lea County, New Mexico.

(3) That said well is offset to the North and East by water injection wells in an active waterflood project in said Maljamar Grayburg-San Andres Pool.

(4) That said well has received a response to the injection of water into the Grayburg formation in the offsetting waterflood project.

(5) That if applicant's said U. S. Minerals Well No. 4 is not permitted to produce at capacity, oil may be swept from under said U. S. Minerals Lease across lease lines onto other producing leases or onto undrilled acreage to the South.

(6) That to prevent waste and protect correlative rights, the SW/4 SE/4 of Section 30, Township 17 South, Range 33 East, NMPM, should be designated a Waterflood Buffer Zone in the Maljamar Grayburg-San Andres Pool, Lea County, New Mexico, and applicant's U. S. Minerals Well No. 4 located on said 40-acre tract 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 the SW/4 SE/4 of Section 30, Township 17 South, Range 33 East, NMPM, Maljamar Grayburg-San Andres Pool, Lea County, New Mexico, is hereby designated a Waterflood Buffer Zone, and the Phillips Petroleum Company U. S. Minerals Well No. 4 located thereon is authorized an allowable equal to its ability to produce.

(2) That the applicant herein shall file a Buffer Zone Project report monthly with the Hobbs district office of the Commission on Commission Form C-120 setting forth thereon production data concerning the above-described well.

(3) That such Buffer Zone Project report shall be filed commencing with the month of assignment to the subject well of allowable in excess of the pool top unit allowable.

(4) That the effective date of this order shall be the date that the Cities Service Oil Company Southeast Maljamar Unit Tract 1 Well No. 4, located 1355 feet from the South line and 1135 feet from the East line of Section 30, Township 17 South, Range 33 East, NMPM, Maljamar Grayburg-San Andres Pool, Lea County, New Mexico, is assigned its initial allowable.

(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


PHIL R. LUCERO, Chairman

EMERY C. ARNOLD, Member


JOE D. RAMEY, Member & Secretary

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