

Entered November 2, 1977  
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STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

CASE NO. 6093  
Order No. R-6172

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
DIVISION ON ITS OWN MOTION TO  
CONSIDER THE RECLASSIFICATION  
OF CERTAIN PRESSURE MAINTENANCE  
PROJECTS IN SAN JUAN AND MCKINLEY  
COUNTIES, NEW MEXICO, AS SECONDARY  
RECOVERY PROJECTS.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on November 30, 1977, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 2nd day of November, 1979, the Division Director, 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 Division has jurisdiction of this cause and the subject matter thereof.

(2) That the Oil Conservation Division heretofore authorized the following Northwest New Mexico pressure maintenance projects in the named pools by the designated order:

<u>PROJECT</u>	<u>POOL</u>	<u>ORDER NO.</u>
Atlantic Horseshoe Gallup	Horseshoe-Gallup	R-2210
Dugan Central Cha Cha Unit	Cha Cha-Gallup	R-2305
Energy Reserves Horseshoe Gallup No. 3	Horseshoe-Gallup	R-1876
Energy Reserves NE Hogback Eng. & Prod. Serv.	Horseshoe-Gallup	R-2026
Horseshoe Gallup No. 2 Eng. & Prod. Serv. Many	Horseshoe-Gallup	R-1745
Rocks Gallup No. 1	Many Rocks-Gallup	R-2541
Getty Many Rocks Gallup No. 3	Many Rocks-Gallup	R-2664
Shell Carson Bisti	Bisti-Gallup	R-2065

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<u>PROJECT</u>	<u>POOL</u>	<u>ORDER NO.</u>
Suburban NW Cha Cha	Cha Cha-Gallup	R-2154
Tenneco Lone Pine DK "D"	Lone Pine-Dakota "D"	R-4263
Woosley Many Rocks Gallup No. 4	Many Rocks-Gallup	R-2700

(3) That each of the above-named pressure maintenance projects has declined to the point where it can no longer be correctly classified as a "pressure maintenance" project but can be correctly classified as a "secondary recovery" project.

(4) That due to certain recent changes in the rules governing reports, the reporting of injection and production is less complicated and time-consuming to operators of secondary recovery projects than is the similar reporting for pressure maintenance projects.

(5) That the processing of data relating to secondary recovery projects by the Oil Conservation Division of the New Mexico Energy and Minerals Department for the purpose of maintaining production records is less time-consuming than is the processing of similar data for pressure maintenance projects.

(6) That the reclassification of the pressure maintenance projects named in Finding No. (2) above as secondary recovery projects will result in a saving of time and effort by both the operators of the projects and by the Division in reporting and processing data relating to the projects, thereby preventing waste, and that said reclassification will not impair correlative rights.

(7) That even though some of the subject projects may not at this time be active projects, or even though some of the originally authorized injection wells may no longer be on active injection, the reclassification of said projects can most easily be carried out by rescinding the orders authorizing said projects as pressure maintenance projects and reauthorizing said projects as secondary recovery projects, subject to any particular rules previously promulgated for said projects which would still be applicable.

(8) That portions of Order No. R-2210, as amended by R-2210-A and R-2719, which authorized the Atlantic Refining Company Horseshoe Gallup Unit Pressure Maintenance Project should be rescinded and approval given for the Atlantic Horseshoe Gallup Waterflood Project.

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(9) That Order No. R-2305 which authorized the Dugan Central Cha Cha Unit Pressure Maintenance Project should be rescinded and approval given for the Dugan Central Cha Cha Unit Waterflood Project.

(10) That Order No. R-1876 which authorized the Energy Reserves Group Horseshoe Gallup Pressure Maintenance Project No. 3 should be rescinded and approval given to the Energy Reserves Group Horseshoe Gallup Waterflood Project No. 3.

(11) That Order No. R-2026 which authorized the Energy Reserves Group Northeast Hogback Pressure Maintenance Project should be rescinded and approval given to the Energy Reserves Group Northeast Hogback Waterflood Project.

(12) That Order No. R-1745 which authorized the Engineering and Production Service Horseshoe Gallup Pressure Maintenance Project No. 2 should be rescinded and approval given to the Engineering and Production Service Horseshoe Gallup Waterflood Project No. 2.

(13) That Order No. R-2541 which authorized the Engineering and Production Service Many Rocks Gallup Pressure Maintenance Project No. 1 should be rescinded and approval given for the Engineering and Production Service Many Rocks Gallup Waterflood Project No. 1.

(14) That Order No. R-2664 which authorized the Getty Many Rocks Gallup Pressure Maintenance Project No. 3 should be rescinded and approval given to the Getty Many Rocks Gallup Waterflood Project No. 3.

(15) That Order No. R-2065 which authorized the Shell Carson Bisti Lower Gallup Pressure Maintenance Project should be rescinded and approval given to the Shell Carson Bisti Lower Gallup Waterflood Project.

(16) That Order No. R-2154 which authorized the Suburban Propane Northwest Cha Cha Pressure Maintenance Project should be rescinded and approval given to the Suburban Propane Northwest Cha Cha Waterflood Project.

(17) That Order No. R-4263 which authorized the Tenneco Lone Pine Dakota "D" Pressure Maintenance Project should be rescinded and approval given to the Tenneco Lone Pine Dakota "D" Waterflood Project.

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(18) That Order No. R-2700 which authorized the James P. Woosley Many Rocks Gallup Pressure Maintenance Project No. 4 should be rescinded and approval given to the Woosley Many Rocks Gallup Waterflood Project No. 4.

IT IS THEREFORE ORDERED:

(1) That Order No. (8) of Division Order No. R-2210 and Order No. (2) of Division Order No. R-2210-A, and Division Orders Nos. R-2719, R-2305, R-1876, R-2026, R-1745, R-2541, R-2664, R-2065, R-2154, R-4263, and R-2700 are hereby rescinded.

(2) That the Atlantic Refining Company is hereby authorized to operate the Atlantic Horseshoe Gallup Waterflood Project, Horseshoe-Gallup Oil Pool, San Juan County, New Mexico, in accordance with the following:

A. The Division Director is authorized to approve such additional producing wells and injection wells at orthodox and unorthodox locations within the boundaries of the Horseshoe-Gallup Unit Area as may be necessary to complete an efficient production and injection pattern, provided said wells are drilled no closer than 330 feet to the outer boundary of said unit nor closer than 10 feet to any quarter-quarter section or sub-division inner boundary. To obtain such approval, the project operator shall file proper application with the Division, which application, if it seeks authorization to convert additional wells to injection or to drill additional production or injection wells shall include the following:

- (1) A plat showing the location of proposed well, all wells within the project area, and offset operators, locating wells which offset the project area.
- (2) A schematic drawing of the proposed well which fully describes the casing, tubing, perforated interval, and depth.
- (3) A letter stating that all offset operators to the proposed well have been furnished a complete copy of the application and the date of notification.

The Director may approve the proposed well if, within 20 days after receiving the application, no objection to the proposal is received. The Director may grant immediate approval, provided waivers of objection are received from all offset operators.

Expansion of the project area may be approved by the Division Director administratively when good cause is shown therefor.

(3) That Dugan Production Company is hereby authorized to operate the Dugan Central Cha Cha Unit Waterflood Project, Cha Cha-Gallup Oil Pool, San Juan County, New Mexico, in accordance with the following:

- A. Injection in the Central Cha Cha Unit Project shall be through the following described wells in Section 31, Township 29 North, Range 13 West, NMPM:

Callow "B" Well No. 1, Unit K  
Callow "B" Well No. 2, Unit I

(4) That Energy Reserves Group is hereby authorized to operate the Energy Reserves Group Horseshoe Gallup Waterflood Project No. 3, Horseshoe-Gallup Oil Pool, San Juan County, New Mexico, in accordance with the following:

- A. Injection in the Horseshoe Gallup Waterflood Project No. 3 shall be through the following described well in Section 5, Township 31 North, Range 17 West, NMPM:

Navajo Well No. 4-5, Unit M

(5) That Energy Reserves Group is hereby authorized to operate the Energy Reserves Group Northeast Hogback Waterflood Project, Horseshoe-Gallup Oil Pool, San Juan County, New Mexico, in accordance with the following:

- A. Injection into the Northeast Hogback Waterflood Project shall be through the following described wells in Township 30 North, Range 16 West, NMPM:

Northeast Hogback Unit Well No. 4, Unit J, Section 14  
Northeast Hogback Unit Well No. 6, Unit B, Section 15  
Northeast Hogback Unit Well No. 10, Unit E, Section 14  
Northeast Hogback Unit Well No. 11, Unit F, Section 14  
Northeast Hogback Unit Well No. 13, Unit E, Section 13  
Northeast Hogback Unit Well No. 14, Unit I, Section 14  
Northeast Hogback Unit Well No. 16, Unit K, Section 13  
Northeast Hogback Unit Well No. 17, Unit M, Section 13  
Northeast Hogback Unit Well No. 20, Unit B, Section 24  
Northeast Hogback Unit Well No. 21, Unit D, Section 15  
Northeast Hogback Unit Well No. 22, Unit G, Section 15  
Northeast Hogback Unit Well No. 23, Unit B, Section 10  
Northeast Hogback Unit Well No. 25, Unit D, Section 11  
Northeast Hogback Unit Well No. 29, Unit F, Section 11  
Northeast Hogback Unit Well No. 30, Unit L, Section 10  
Northeast Hogback Unit Well No. 32, Unit L, Section 11  
Northeast Hogback Unit Well No. 37, Unit P, Section 10  
Williams Well No. 2, Unit P, Section 11  
Williams Well No. 3, Unit J, Section 11  
Federal Well No. 3, Unit B, Section 14

(6) Engineering and Production Service, Inc., is hereby authorized to operate the Engineering and Production Service Horseshoe-Gallup Waterflood Project No. 2, Horseshoe-Gallup Oil Pool, San Juan County, New Mexico, in accordance with the following:

- A. Injection into the Engineering and Production Service Horseshoe Gallup Waterflood Project No. 2 shall be through the following described wells in Township 31 North, Range 17 West, NMPM:

Navajo "F" Well No. 1, Unit D, Section 4  
Navajo "F" Well No. 3, Unit L, Section 4  
Navajo "F" Well No. 8, Unit E, Section 10  
Navajo "F" Well No. 9, Unit K, Section 10  
Navajo "F" Well No. 11, Unit I, Section 10  
Navajo "F" Well No. 14, Unit M, Section 10  
Navajo "F" Well No. 15, Unit J, Section 9  
Navajo "F" Well No. 17, Unit G, Section 10  
Navajo "F" Well No. 18, Unit C, Section 10  
Navajo "F" Well No. 21, Unit D, Section 10  
Navajo "F" Well No. 22, Unit H, Section 9  
Navajo "F" Well No. 23, Unit B, Section 9  
Navajo "F" Well No. 24, Unit P, Section 4  
Navajo "F" Well No. 25, Unit N, Section 4  
Navajo "F" Well No. 27, Unit J, Section 4  
Navajo "F" Well No. 28, Unit F, Section 4

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Navajo "F" Well No. 31, Unit N, Section 3  
Navajo "F" Well No. 32, Unit L, Section 3  
Navajo "F" Well No. 33, Unit D, Section 9  
Navajo "F" Well No. 34, Unit F, Section 9  
Navajo "F" Well No. 36, Unit A, Section 10  
Navajo "F" Well No. 38, Unit H, Section 4  
Navajo "F" Well No. 40, Unit P, Section 9  
Navajo "F" Well No. 43, Unit O, Section 3  
Navajo "F" Well No. 44, Unit O, Section 10  
Navajo "G" Well No. 3, Unit K, Section 11  
Navajo "G" Well No. 4, Unit M, Section 11  
Navajo "G" Well No. 5, Unit O, Section 11  
Navajo "G" Well No. 6, Unit E, Section 11

(7) That Engineering and Production Services, Inc., is hereby authorized to operate the Engineering and Production Service Many Rocks Gallup Waterflood Project No. 1, Many Rocks-Gallup Oil Pool, San Juan County, New Mexico, in accordance with the following:

- A. Injection into the Engineering and Production Service Many Rocks Gallup Waterflood Project shall be through the following described wells in Township 31 North, Range 17 West, NMPM:

Injection Well, Unit F, Section 1  
Injection Well, Unit J, Section 1  
Injection Well, Unit L, Section 1  
Injection Well, Unit N, Section 1  
Injection Well, Unit H, Section 2  
Injection Well, Unit B, Section 12

(8) That Getty Oil Company is hereby authorized to operate the Getty Many Rocks Gallup Waterflood Project No. 3, Many Rocks-Gallup Oil Pool, San Juan County, New Mexico, in accordance with the following:

- A. Injection into the Getty Many Rocks Gallup Waterflood Project No. 3 shall be through the following described well in Section 35, Township 32 North, Range 17 West, NMPM:

Navajo "P" Well No. 6, Unit P

(9) That Shell Oil Company is hereby authorized to operate the Shell Carson Bisti Lower Gallup Waterflood Project, Bisti-Lower Gallup Oil Pool, San Juan County, New Mexico, in accordance with the following:

- A. Injection into the Shell Carson Bisti Lower Gallup Waterflood Project shall be through the following described wells:

TOWNSHIP 25 NORTH, RANGE 11 WEST, NMPM

Section 7: No. 24-7;  
Section 17: Nos. 1, 23-17, 24-17, 31-17, 43-17;  
Section 18: Nos. 21-18, 22-18, 23-18, 24-18;  
Section 19: Nos. 21-19, 22-19;  
Section 20: Nos. 11-20, 23-20, 32-20, 41-20;  
Section 30: No. 11-30;

TOWNSHIP 25 NORTH, RANGE 12 WEST, NMPM

Section 10: No. 31-10;  
Section 11: Nos. 22-11, 23-11, 24-11;  
Section 12: No. 13-12;  
Section 13: Nos. 21-13, 22-13, 23-13, 24-13;  
Section 14: Nos. 21-14, 22-14, 23-14, 24-14;  
Section 15: No. 14-15;  
Section 23: No. 21-23;  
Section 24: Nos. 21-24, 23-24, 32-24;

In addition, Mudge 6 Lease Wells No. 12-16A and 14-16A, located in the SW/4 NW/4 and SW/4 SW/4, respectively, of Section 16, Township 25 North, Range 11 West, NMPM, are hereby approved for conversion to water injection, to form a water barrier between the Carson Unit Area and the acreage to the east thereof.

(10) That Suburban Propane Gas Company is hereby authorized to operate the Suburban Propane Northwest Cha Cha Waterflood Project, Cha Cha-Gallup Oil Pool, San Juan County, New Mexico, in accordance with the following:

- A. Injection into the Suburban Propane Northwest Cha Cha Gallup Waterflood Project shall be through the following described wells in Township 29 North, Range 14 West, NMPM:

Navajo "B" Well No. 3, Unit K, Section 21  
Navajo "E" Well No. 2, Unit I, Section 21  
Ojo Amarillo Well No. 2, Unit C, Section 27  
Navajo L Well No. 1, Unit E, Section 26  
Navajo L Well No. 4, Unit O, Section 26  
Navajo L Well No. 5, Unit E, Section 36



(11) That Tenneco Oil Company is hereby authorized to operate the Tenneco Lone Pine Dakota "D" Waterflood Project, Lone Pine-Dakota "D" Oil Pool, McKinley County, New Mexico, in accordance with the following:

- A. Injection into the Tenneco Lone Pine Dakota "D" Waterflood Project shall be through the following described wells:

<u>Well</u>	<u>Unit</u>	<u>Section</u>	<u>Township</u>	<u>Range</u>
SFPRR No. 12	I	7	17N	8W
Lone Pine No. 1	D	19	17N	8W
Hospah No. 44	P	12	17N	9W
SFPRR No. 6	H	13	17N	9W
SFPRR No. 10	B	13	17N	9W

(12) That James P. Woosley is hereby authorized to operate the Woosley Many Rocks Gallup Waterflood Project No. 4, Many Rocks-Gallup Oil Pool, San Juan County, New Mexico, in accordance with the following:

- A. Injection into the Woosley Many Rocks Gallup Waterflood Project No. 4 shall be through the following described wells in Township 32 North, Range 17 West, NMPM:

Injection Well, Unit D, Section 27  
Injection Well, Unit O, Section 27  
Injection Well, Unit I, Section 28

(13) That each of the above-described waterflood projects shall be operated in accordance with Rules 701, 702, and 703 of the Division Rules and Regulations.

(14) That monthly reports concerning said waterflood projects shall be filed in accordance with Rule 1115 of the Division Rules and Regulations.

(15) That the injection wells herein authorized for each of the subject projects as well as such additional wells which have been previously authorized for pressure maintenance injection are hereby approved for injection purposes until further order of the Division.

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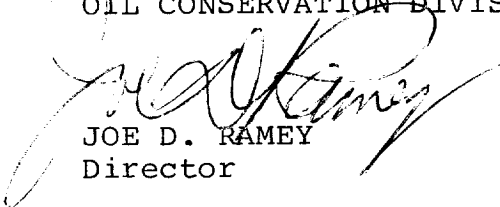
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(16) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION



JOE D. RAMEY  
Director

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