

Entered July 16, 1981
JLR

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 7268
Order No. R-6723

APPLICATION OF CONOCO INC. FOR
POOL EXTENSION AND CONTRACTION,
LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on June 3, 1981, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 16th day of July, 1981, 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 applicant, Conoco Inc., seeks the upward extension of the vertical limits of the Skaggs-Grayburg Pool to include the lowermost 100 feet of the Queen formation underlying all of Section 13, the E/2 of Section 24, and NE/4 of Section 25, Township 20 South, Range 37 East, and the W/2 of Section 18, all of Section 19, NW/4 of Section 20, and N/2 of Section 30, Township 20 South, Range 38 East. Applicant also proposes the contraction of the vertical limits of the Eumont Pool by deletion of the lowermost 100 feet of the Queen formation underlying the NW/4 of Section 13 and E/2 of Section 24, Township 20 South, Range 37 East, and the W/2 of Section 18 and W/2 of Section 19, Township 20 South, Range 38 East.

(3) That at the time of the hearing, the applicant reduced the area proposed for said amendment of vertical limits to include only the S/2 S/2, N/2 SE/4, SW/4 NE/4 and NW/4 SW/4 of Section 13, the E/2 of Section 24, and the NE/4 of Section 25,

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all in Township 20 South, Range 37 East, NMPM, and the S/2 SW/4 and NW/4 SW/4 of Section 18, the S/2, NW/4, S/2 NE/4 and NW/4 NE/4 of Section 19, and the N/2 of Section 30, all in Township 20 South, Range 38 East, NMPM, in said Skaggs-Grayburg Pool.

(4) That the applicant is the operator of the SEMU Permian Waterflood Project within the acreage described in Finding No. (3) above.

(5) That many of the wells within said project were drilled prior to the formal establishment of the vertical limits of said Skaggs-Grayburg Pool and are completed as much as 117 feet above the top of the Grayburg formation.

(6) That there is oil within the interval 100 feet above the top of the Grayburg formation which is responding to water injection.

(7) That it would not be practical to require the operator to isolate and separately produce those flooded intervals above the top of the Grayburg formation.

(8) That oil which might not otherwise be recovered may be produced by permitting additional wells to be drilled and completed in said project within the Grayburg formation and the lowermost 100 feet of the Queen formation therein.

(9) That the ownership is common in the proposed producing interval within the SEMU Permian Waterflood Project.

(10) That an offset operator objected to the proposed amendment to the vertical limits of the Skaggs-Grayburg Pool and Eumont Pool outside said waterflood project area.

(11) That the amendment to said vertical limits should be limited to the project area described in Finding No. (3) above.

(12) That approval of the proposed amendment to the vertical limits of said pools as limited by Finding No. (9) above will result in greater ultimate recovery from said pools, thereby preventing waste, and will not violate correlative rights.

IT IS THEREFORE ORDERED:

(1) That the vertical limits of the Skaggs-Grayburg Pool are hereby revised to include the lowermost 100 feet of the Queen formation (in addition to the Grayburg formation) under

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the following described acreage, Lea County, New Mexico:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM

Section 13: S/2 S/2, N/2 SE/4, SW/4
NE/4, and NW/4 SW/4

Section 24: E/2

Section 25: NE/4

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM

Section 18: S/2 SW/4 and NW/4 SW/4

Section 19: S/2, NW/4, S/2 NE/4, and
NW/4 NE/4

Section 30: N/2

IT IS FURTHER ORDERED:

(1) That the vertical limits of the Eumont Gas Pool are hereby contracted to delete the lowermost 100 feet of the Queen formation therefrom under the following described acreage, Lea County, New Mexico:

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM

Section 24: E/2

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM

Section 18: S/2 SW/4 and NW/4 SW/4

Section 19: W/2

(2) 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 described.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY
Director

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