

Entered August 7, 1958
ALJ

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:

CASES 1195 & 1433
Order No. R-972-B

APPLICATION OF GRARIDGE CORPORATION
FOR AN ORDER AMENDING ORDER R-972
TO APPROVE A DEVELOPMENT PATTERN FOR
THE ENTIRE WATER FLOOD PROJECT OPERATED
BY THE APPLICANT IN THE CAPROCK-QUEEN
POOL, CHAVES AND LEA COUNTIES, NEW MEXICO,
AND TO PERMIT ADMINISTRATIVE APPROVAL FOR
THE CONVERSION OF WATER INJECTION WELLS
IN SAID PROJECT, WHICH IS WITHIN THE
LIMITS OF THE NORTH CAPROCK QUEEN UNIT
NO. 1, AUTHORIZED BY COMMISSION ORDER
R-1145.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on July 24, 1958, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 6th day of August, 1958, the Commission, a quorum being present, having considered the application, the evidence adduced and the recommendations of the Examiner, Elvis A. Utz, 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 applicant, Graridge Corporation, proposes an ultimate pattern of development for the North Caprock Queen Unit No. 1 water injection project consisting of 35 water injection wells to be located on the following-described 40-acre tracts:

TOWNSHIP 12 SOUTH, RANGE 31 EAST, NMPM
Section 36: SE/4 NE/4; NW/4 SE/4; SE/4 SE/4

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TOWNSHIP 12 SOUTH, RANGE 32 EAST, NMPM

Section 30: SE/4 SE/4
Section 31: NW/4 NE/4; SE/4 NE/4; NW/4 SW/4;
NW/4 SE/4; SE/4 SE/4; SE/4 SW/4
Section 32: NW/4 NW/4; SE/4 NW/4; NW/4 SW/4;
SE/4 SW/4; NW/4 SE/4

TOWNSHIP 13 SOUTH, RANGE 32 EAST, NMPM

Section 5: NW/4 NW/4; NW/4 SW/4
Section 6: NW/4 NE/4; NW/4 NW/4;
SE/4 NW/4; SE/4 NE/4; NW/4 SE/4;
NW/4 SW/4; SE/4 SW/4; SE/4 SE/4
Section 7: NW/4 NE/4; SE/4 NW/4; SE/4 NE/4;
NW/4 SE/4; SE/4 SW/4; SE/4 SE/4
Section 8: NW/4 NW/4; SE/4 NW/4; NW/4 SW/4;
SE/4 SW/4

(3) That the applicant previously received authority to convert to water injection the ten wells located on the following-described 40-acre tracts:

TOWNSHIP 12 SOUTH, RANGE 32 EAST, NMPM

Section 31: NW/4 NE/4; SE/4 NE/4; NW/4 SE/4;
SE/4 SW/4; SE/4 SE/4
Section 32: NW/4 SW/4; SE/4 SW/4

TOWNSHIP 13 SOUTH, RANGE 32 EAST, NMPM

Section 5: NW/4 NW/4
Section 6: NW/4 NE/4; SE/4 NE/4

(4) That the applicant seeks an order establishing an administrative procedure for approval of the conversion of the remainder of the 35 wells to water injection as such conversion becomes necessary in order to obtain efficient operation of the water flood project without waste and to prevent reduction of ultimate recovery.

(5) That the Commission should not grant administrative approval for conversion to water injection of any of said remaining wells unless it is established to the satisfaction of the Secretary-Director that the proposed water injection well has experienced a substantial response to the water flood project or is directly offset by a producing well which has experienced such response.

(6) That an administrative procedure whereby the conversion of a well to water injection is approved within a reasonable period of time after such response has been noted will not cause waste.

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(7) That the subject application should be approved in the interest of conservation.

IT IS THEREFORE ORDERED:

(1) That Graridge Corporation be and the same is hereby authorized to convert wells located on the following-described 40-acre tracts to water injection wells subject to administrative approval by the Commission:

TOWNSHIP 12 SOUTH, RANGE 31 EAST, NMPM
Section 36: SE/4 NE/4; NW/4 SE/4; SE/4 SE/4

TOWNSHIP 12 SOUTH, RANGE 32 EAST, NMPM
Section 30: SE/4 SE/4
Section 31: NW/4 SW/4
Section 32: NW/4 NW/4, SE/4 NW/4; NW/4 SE/4

TOWNSHIP 13 SOUTH, RANGE 32 EAST, NMPM
Section 5: NW/4 SW/4
Section 6: NW/4 NW/4; SE/4 NW/4; NW/4 SE/4;
NW/4 SW/4; SE/4 SW/4; SE/4 SE/4
Section 7: NW/4 NE/4; SE/4 NW/4; SE/4 NE/4;
NW/4 SE/4; SE/4 SW/4; SE/4 SE/4
Section 8: NW/4 NW/4; SE/4 NW/4; NW/4 SW/4;
SE/4 SW/4

PROVIDED HOWEVER, That no well located on the above-described 40-acre tracts shall be eligible for administrative approval for conversion to water injection unless it is established that the proposed water injection well has experienced a substantial response to the water flood project or is directly offset by a producing well which has experienced such response.

PROVIDED FURTHER, That to obtain administrative approval for the conversion of any well to water injection, applicant shall submit to the Commission in triplicate a request for such administrative approval, setting forth therein all the facts pertinent to the need for expansion of the water flood, and attaching thereto Commission Form C-116, showing production tests of the affected well or wells both before and after stimulation by water flood. Applicant shall also attach plats of the water flood project area and immediate surrounding area, indicating thereon the owner of each lease and the location of all water injection wells and producing wells, and shall submit evidence that a copy of the application to expand the water flood project area has been sent to each operator offsetting the proposed expansion.

The Secretary-Director of the Commission may, if in his opinion there is need for the expansion of the water flood project

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area, authorize said expansion without notice and hearing, provided no offset operator objects to said expansion within fifteen (15) days. The Secretary-Director may grant immediate approval of the expansion upon receipt of waivers of objection from all operators offsetting the proposed expansion.

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

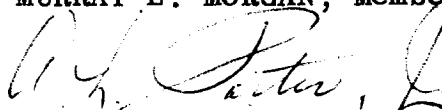
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



EDWIN L. MECHEM, Chairman



MURRAY E. MORGAN, Member



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

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