

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. 3391  
Order No. R-3059

APPLICATION OF THE ATLANTIC REFINING  
COMPANY FOR THREE WATERFLOOD PROJECTS,  
EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on April 13, 1966,  
at Hobbs, New Mexico, before the Oil Conservation Commission of  
New Mexico, hereinafter referred to as the "Commission."

NOW, on this 18th day of April, 1966, the Commission, a  
quorum being present, having considered the testimony presented  
and the exhibits received at said hearing, 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, The Atlantic Refining Company,  
seeks authority to institute a waterflood project on each of  
three separate contiguous leases, pending unitization, by the  
injection of water into the Yates and Upper Queen formations,  
Shugart Pool, through five wells located in Sections 34 and 35,  
Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico.

(3) That the applicant further seeks an administrative  
procedure whereby the project areas could be consolidated or  
expanded to include other lands upon unitization and whereby  
additional injection wells could be approved.

(4) That the wells in each of the project areas are in an advanced state of depletion and should properly be classified as "stripper" wells.

(5) That the proposed waterflood projects should result in the recovery of otherwise unrecoverable oil, thereby preventing waste.

(6) That the subject application should be approved and the projects should be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

IT IS THEREFORE ORDERED:

(1) That the applicant, The Atlantic Refining Company, is hereby authorized to institute three waterflood projects in the Shugart Pool by the injection of water into the Yates and Queen formations through the following-described wells in Township 13 South, Range 31 East, NMPM, Eddy County, New Mexico:

Shugart "A" Waterflood Project

Injection wells:

Atlantic Hinkle "A" Well No. 3, Unit I, Section 34  
Atlantic Hinkle "A" Well No. 8, Unit K, Section 35  
Atlantic Hinkle "A" Well No. 12, Unit C, Section 35

Shugart "B" Waterflood Project

Injection well:

Atlantic Hinkle "B" Well No. 5, Unit F, Section 34

Shugart "C" Waterflood Project

Injection well:

Atlantic Hinkle "A" Well No. 13, Unit A, Section 34

(2) That the subject waterflood projects shall be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations; provided however, that the Secretary-Director of the Commission may approve such other additional injection wells at such locations and at such time as may be

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necessary to complete an efficient waterflood injection pattern, and may, upon unitization, approve the consolidation of the said projects or the expansion of said projects to include additional adjacent lands.

(3) That monthly progress reports of the waterflood projects herein authorized shall be submitted to the Commission in accordance with Rules 704 and 1120 of the Commission Rules and Regulations.

(4) 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

JACK M. CAMPBELL, Chairman

GUYTON B. HAYS, Member

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

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