

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. 5150
Order No. R-4714

APPLICATION OF HANSON OIL CORPORATION
FOR A WATERFLOOD PROJECT, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on January 16, 1974, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 24th day of January, 1974, 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, Hanson Oil Corporation, seeks authority to institute a waterflood project in the Mescalero Ridge Unit Area, Pearl-Queen Pool, by the injection of water into the Queen formation through 10 injection wells in Sections 26 and 35, Township 19 South, Range 34 East, NMPM, Lea County, New Mexico.
- (3) That the wells in the project area are in an advanced state of depletion and should properly be classified as "stripper" wells.
- (4) That the proposed waterflood project should result in the recovery of otherwise unrecoverable oil, thereby preventing waste.
- (5) That the applicant should take all steps necessary to ensure that the injected water enters only the proposed injection interval and is not permitted to escape to other formations or onto the surface from injection, production, or plugged and abandoned wells.
- (6) That the subject application should be approved and the project 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, Hanson Oil Corporation, is hereby authorized to institute a waterflood project in the Mescalero Ridge Unit Area, Pearl-Queen Pool, by the injection of water into the Queen formation through the following-described wells in Township 19 South, Range 34 East, NMPM, Lea County, New Mexico.

| | <u>WELL</u> | <u>UNIT</u> | <u>SECTION</u> |
|--------|-------------|-------------|----------------|
| MRU-26 | 3 | O | 26 |
| MRU-26 | 5 | K | 26 |
| MRU-26 | 7 | M | 26 |
| MRU-35 | 1 | I | 35 |
| MRU-35 | 4 | G | 35 |
| MRU-35 | 6 | C | 35 |
| MRU-35 | 8 | K | 35 |
| MRU-35 | 12 | E | 35 |
| MRU-35 | 15 | A | 35 |
| MRU-35 | 16 | O | 35 |

PROVIDED HOWEVER, that no injection shall take place through MRU Wells Nos. 1 and 15 until a lease line agreement with the offset operator is completed and filed with the Commission.

(3) That injection into each of said wells shall be through internally plastic- or cement-lined tubing set in a packer which shall be located above and as near as practicable to the uppermost perforation and that the casing tubing annulus of each injection well shall be loaded with an inert fluid and equipped with an approved pressure gauge or attention-attracting leak detection device.

(4) That the operator shall immediately notify the supervisor of the Commission's Hobbs District Office of the failure of the tubing or packer in any of said injection wells, the leakage of water or oil from around any producing well, or the leakage of water from any plugged and abandoned well within the project area and shall take such timely steps as may be necessary or required to correct such failure or leakage.

(5) That the subject waterflood project is hereby designated the Mescalero Ridge Unit Waterflood Project and shall be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

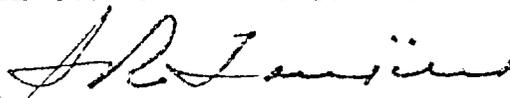
(6) That monthly progress reports of the waterflood project herein authorized shall be submitted to the Commission in accordance with Rules 704 and 1120 of the Commission Rules and Regulations.

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(7) 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.

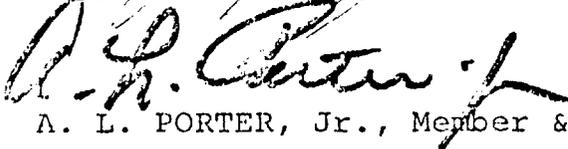
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



I. R. TRUJILLO, Chairman



ALEX J. ARMIJO, Member



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

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