OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO

May 6, 1966



Empire State Oil Company P. O. Box 871 Thermopolis, Wyoming

Attention: Mr. R. C. McReynolds

Gentlemen:

Reference is made to your letter of April 20, 1966, requesting authorization to initiate an experimental steam soak treatment on the Southern Union Production Company Ute-Indian Well No. 2-20, located 700 feet from the South line and 1940 feet from the East line of Section 20, Township 31 North, Range 14 West, NMPM, Verde Gallup Oil Pool, San Juan County, New Mexico.

It is our understanding that you propose to inject steam into the Gallup formation for a continuous period of ten days and then allow the well to soak for several days before returning it to production. Approximately 700 barrels of water per day will be injected as steam.

Waivers of objection from all offset operators accompanied your letter of April 20 and we have this date been advised by the United States Geological Survey that they have no objection to the experiment.

Inasmuch as the proposed test is for the purpose of obtaining scientific data, it is considered an essential test within the purview of the Commission's rules, and Empire State Oil Company is hereby authorized the test as outlined above. You are further granted an exception to the daily and monthly tolerance provisions of Rule 302 of the Commission Rules and Regulations for the month of May, 1966, and an exception to the daily tolerance for the month of June, 1966. All production resulting during the test period must be reported to the Commission and any overproduction during the test period must be made up during subsequent months in accordance with Rule 502 III.

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If tests are to be continued after June 30, 1966, specific approval for such continuation must be obtained from this office and a hearing will be set for consideration during the extension period of any further steam-soak operations.

Very truly yours,

A. L. PORTER, Jr. Secretary-Director

ALP: DSN: sq

cc: Oil Conservation Commission - Aztec United States Geological Survey - Durango

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