

Case Number
4781

Application

Transcripts

Small Exhibits

ETC.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
CONFERENCE HALL, STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO
July 26, 1972

EXAMINER HEARING

IN THE MATTER OF:

Application of Atlantic Richfield
Company for a unit agreement, Eddy
County, New Mexico.

CASE NO. 4780

a n d

a n d

Application of Atlantic Richfield
Company for amendment of a waterflood
order and dual completion, Eddy
County, New Mexico.

CASE NO. 4781

a n d

a n d

Application of Atlantic Richfield
Company for a waterflood project,
Eddy County, New Mexico.

CASE NO. 4782 ✓

BEFORE: Daniel S. Nutter
Examiner

TRANSCRIPT OF HEARING

dearnley, meier & mc cormick

209 SIMMS BLDG., P.O. BOX 1092, PHONE 243-6651, ALBUQUERQUE, NEW MEXICO 87103
1216 FIRST NATIONAL BANK BLDG. EAST, ALBUQUERQUE, NEW MEXICO 87108

dearnley, meier & mc cormick

209 SIMMS BLDG., P.O. BOX 1092, PHONE 245-0691, ALBUQUERQUE, NEW MEXICO 87103
1216 FIRST NATIONAL BANK BLDG. EAST, ALBUQUERQUE, NEW MEXICO 87106

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MR. NUTTER: Case Number 4780.

MR. HATCH: Case Number 4780: Application of
Atlantic Richfield Company for a unit agreement, Eddy County,
New Mexico.

MR. NUTTER: Call Case Number 4781.

MR. HATCH: Case Number 4781: Application of
Atlantic Richfield Company for amendment of a waterflood
order and dual completion, Eddy County, New Mexico.

MR. NUTTER: Call Case Number 4782.

MR. HATCH: Case 4783: Application of Atlantic
Richfield Company for a waterflood project, Eddy County,
New Mexico.

MR. HINKLE: Clarence Hinkle appearing on behalf
of Atlantic Richfield. We would like to have all three of
these cases continued until the Examiner Hearing in September.

MR. NUTTER: Cases 4780, 4781 and 4782 will be
continued to the Examiner Hearing scheduled to be held at
this same place at 9:00 o'clock a.m., September 13, 1972.

We will next call Case Number 4771.

dearnley, meier & mc cormick

208 SIMMS BLDG., P.O. BOX 1092, PHONE 243-6691, ALBUQUERQUE, NEW MEXICO 87103
1210 FIRST NATIONAL BANK BLDG. EAST, ALBUQUERQUE, NEW MEXICO 87106

1 STATE OF NEW MEXICO)
2) ss
3 COUNTY OF BERNALILLO)

4 I, MARCIA J. HUGHES, a Court Reporter, in and for the
5 County of Bernalillo, State of New Mexico, do hereby certify
6 that the foregoing and attached Transcript of Hearing
7 before the New Mexico Oil Conservation Commission was
8 reported by me; and that the same is a true and correct record
9 of the said proceedings to the best of my knowledge, skill
10 and ability.

11 M. J. Hughes
12 COURT REPORTER

23 I do hereby certify that the foregoing is
24 a complete record of the proceedings in
25 the hearing of case No. 4780-81-82
heard by me on July 26, 1972.
_____, Examiner
New Mexico Oil Conservation Commission

CLARENCE E. HINKLE
W. E. BONDURANT, JR.
LEWIS C. COX, JR.
PAUL W. EATON, JR.
CONRAD E. COFFIELD
HAROLD L. HENSLEY, JR.
STUART D. SHANOR
C. O. MARTIN
PAUL J. KELLY, JR.
J. H. LITTLE

LAW OFFICES
HINKLE, BONDURANT, COX & EATON
600 HINKLE BUILDING
POST OFFICE BOX 10
ROSWELL, NEW MEXICO 88201

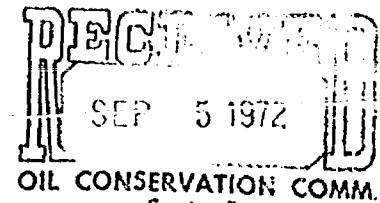
TELEPHONE (505) 622-6510

September 1, 1972

MIDLAND, TEXAS OFFICE
521 MIDLAND TOWER
(915) 683-4891

LM

Mr. George Hatch
Oil Conservation Commission
Box 2088
Santa Fe, New Mexico 87501



Dear Mr. Hatch:

This will confirm my telephone conversation with you in regard to dismissal of the applications of Atlantic Richfield due to a delay in getting all of the details worked out in connection with the Robinson-Jackson Unit, Eddy County. Atlantic desires to dismiss, without prejudice, and file at a later date, probably in December or January the following applications:

1. Application for approval of Robinson-Jackson Unit Agreement.
2. Application for approval of a waterflood project for the Robinson-Jackson Unit Area.
3. Application to amend the existing orders approving the Sinclair Turner "A" Grayburg-Jackson waterflood project and the Sinclair Turner "B" Grayburg-Jackson waterflood project, Eddy County.

Yours very truly,

HINKLE, BONDURANT, COX & EATON

By Clarence E. Hinkle
ed

CEH:cs

*file in cases 4780
4781
4782*

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. 4781
Order No. R-4379

APPLICATION OF ATLANTIC RICHFIELD
COMPANY FOR AMENDMENT OF A WATER-
FLOOD ORDER AND DUAL COMPLETIONS,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on July 26, 1972,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter and
was continued to September 13, 1972.

NOW, on this 30th day of August, 1972, the Commission,
a quorum being present, having considered the record and the
recommendations of the Examiner, and being fully advised in the
premises,

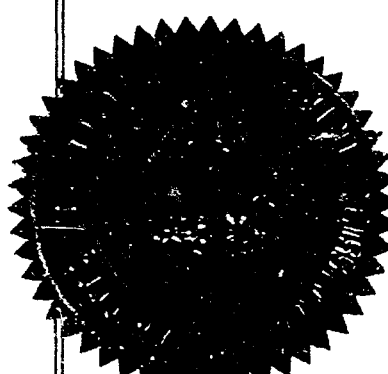
FINDS:

That the applicant's request for dismissal should be
granted.

IT IS THEREFORE ORDERED:

That Case No. 4781 is hereby dismissed.

DONE at Santa Fe, New Mexico, on the day and year hereinabove
designated.



STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

Bruce King
BRUCE KING, Chairman

Alex J. Armijo
ALEX J. ARMIDO, Member

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

S E A L

dr/

(Case 4783 continued)

2. A 240-acre unit comprising the NW/4 of Section 14 and the N/2 NE/4 of Section 15, to be dedicated to its State "A" A/1 Well No. 28;
3. A 320-acre unit comprising the N/2 of Section 23 to be dedicated to its State "A" A/1 Wells Nos. 26 and 27.

CASE 4747: (Continued from the June 26, 1972, Examiner Hearing)

Application of Union Texas Petroleum, a Division of Allied Chemical Corporation for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests below the base of the Devonian formation underlying the N/2 of Section 33, Township 25 South, Range 37 East, Crosby Field, Lea County, New Mexico. Said acreage to be dedicated to its well to be located 1650 feet from the North line and 2310 feet from the East line of said Section 33. Also to be considered will be the costs of drilling said well, a charge for the risk involved, a provision for the allocation of actual operating costs, and the establishment of charges for supervision of said well.

CASE 4773: Application of Union Texas Petroleum, a Division of Allied Chemical Corporation, a pressure maintenance project, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pressure maintenance project in the Cato-San Andres Pool by the injection of water into the San Andres formation through its Baskett Well No. 1 located in Unit K of Section 11, Township 8 South, Range 30 East, Chaves County, New Mexico.

Applicant further seeks a procedure whereby additional injection wells and expansion of the project area may be approved without the necessity of notice and hearing.

CASE 4780: Application of Atlantic Richfield Company for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Robinson-Jackson Unit Area comprising 1160 acres, more or less, of Federal lands in Sections 27, 34, and 35, Township 17 South, Range 29 East, Grayburg-Jackson Pool, Eddy County, New Mexico.

CASE 4781: Application of Atlantic Richfield Company for amendment of a waterflood order and dual completions, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-3185, as amended by Order No. R-3185-A, to permit the dual completion of its Turner "A" SP Wells Nos. 15 and 35 located in Section 19 and its Turner "B" SP Wells Nos. 41 and 78 located in Section 20, Township 17 South, Range 31 East, Grayburg-Jackson Pool, Eddy County, New Mexico, in such a manner as to permit selective injection of water into the Grayburg and San Andres zones.

*Cont'd
Sept 12*

CASE 4782: Application of Atlantic Richfield Company for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
ATLANTIC RICHFIELD COMPANY TO AMEND
EXISTING ORDERS APPROVING THE SINCLAIR
TURNER "A" GRAYBURG-JACKSON WATER
FLOOD PROJECT AND THE SINCLAIR TURNER
"B" GRAYBURG-JACKSON WATER FLOOD
PROJECT, EDDY COUNTY, NEW MEXICO

CASE NO. 4981

Oil Conservation Commission
Box 2088
Santa Fe, New Mexico 87501

Comes Atlantic Richfield Company, acting by and through the undersigned attorneys, and hereby makes application under Rule 701 to amend certain existing orders approving water flood projects and in support thereof respectfully shows:

1. By Order No. R-3185 dated February 1, 1967, as corrected by nunc pro tunc Order No. R-3185-A dated February 19, 1968, the Commission approved the Sinclair Turner "A" Grayburg-Jackson water flood project including, among others, the following injection wells:

Turner "A" SP Well No. 15 located 1650' FNL & 1980'
FWL of Section 19
Turner "A" SP Well No. 35 located 1800' FNL & 660' FEL
of Section 19

and further approved the Sinclair Turner "B" Grayburg-Jackson water flood project including, among others, the following injection wells:

Turner "B" SP Well No. 41 located 1650' FNL & 1650'
FWL of Section 20
Turner "B" SP Well No. 78 located 2080' FSL & 1980'
FEL of Section 20

all said land being in Township 17 South, Range 31 East, NMPM, Eddy County, New Mexico. As established by said orders, and as set forth in letter dated March 6, 1967 from A. L. Porter, Jr., Secretary-Director of the Commission, injection into each of the authorized water injection wells shall be through tubing and packer with the packer in each case being set as near as is practicable to the uppermost open perforation in the producing formation of the Grayburg-Jackson Pool. A copy of said Orders and letter is attached hereto.

2. Applicant Atlantic Richfield Company is now the owner and operator of the leases subject to said previous orders of the Commission and seeks to amend said orders so as to allow the dual completion of the 4 injection wells hereinabove specifically described in such manner as to permit the selective injection of water into the Grayburg and San Andres zones and so as to permit separate injection of water into the two zones.

3. Applicant further alleges that the granting of this application will be in the interest of the prevention of waste and will not impair correlative rights.

WHEREFORE, applicant requests that the Commission set this application for public hearing before an examiner in Santa Fe, New

DOCKET MARKED

Date 7-14-72

Mexico; that notice be issued according to law and on hearing,
that the application be granted.

Respectfully submitted,

ATLANTIC RICHFIELD COMPANY

WPT

Horace N. Burton

Horace N. Burton

P. O. Box 1610, Midland, Texas 79701

Clarence E. Hinkle

HINKLE, BONDURANT, COX & EATON

P. O. Box 10, Roswell, New Mexico 88201

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. 3521

Order No. R-3185

APPLICATION OF SINCLAIR OIL & GAS
COMPANY FOR THREE WATERFLOOD PROJ-
ECTS, EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on January 25, 1967,
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 1st day of February, 1967, 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, Sinclair Oil & Gas Company, seeks
authority to institute three waterflood projects in the Grayburg-
Jackson Pool by the injection of water into the Grayburg-San
Andres formations through two wells on its C. A. Russell Lease,
eight wells on its Turner "A" Lease, and nine wells on its Turner
"B" Lease in Sections 17, 18, 19, and 20, Township 17 South, Range
31 East, NMPM, Eddy County, New Mexico.

(3) That the applicant also seeks an administrative proce-
dure whereby said projects could be expanded to include additional
lands and injection wells in the area of said projects as may be
necessary in order to complete an efficient injection pattern.

(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.

Exhibit No. _____

CASE No. 3521
Order No. R-3185

(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, Sinclair Oil & Gas Company, is hereby authorized to institute three waterflood projects in the Grayburg-Jackson Pool by the injection of water into the Grayburg-San Andres formations through the following-described 19 wells in Township 17 South, Range 31 East, NMPM, Eddy County, New Mexico:

Sinclair Russell Grayburg-Jackson Waterflood Project

Injection wells:

C. A. Russell Well No. 6	979' FNL & 1400' FWL	Section 18
C. A. Russell Well No. 10	2147' FNL & 2374' FWL	Section 18

Sinclair Turner "A" Grayburg-Jackson Waterflood Project

Injection wells:

Turner "A" SP Well No. 2	2220' FSL & 427' FWL	Section 18
Turner "A" SP Well No. 5	332' FNL & 670' FWL	Section 19
Turner "A" SP Well No. 6	568' FSL & 1707' FWL	Section 18
Turner "A" SP Well No. 9	408' FNL & 1994' FEL	Section 19
Turner "A" SP Well No. 10	1940' FSL & 1839' FEL	Section 18
Turner "A" SP Well No. 11	589' FSL & 655' FEL	Section 18
Turner "A" SP Well No. 15	1635' FNL & 1698' FWL	Section 19
Turner "A" SP Well No. 35	700' FEL & 1840' FNL	Section 19

Sinclair Turner "B" Grayburg-Jackson Waterflood Project

Injection wells:

Turner "B" SP Well No. 3	309' FNL & 666' FWL	Section 20
Turner "B" SP Well No. 4	700' FSL & 1751' FWL	Section 17
Turner "B" SP Well No. 5	1989' FSL & 625' FWL	Section 17
Turner "B" SP Well No. 8	504' FNL & 2064' FEL	Section 20
Turner "B" SP Well No. 11	1785' FNL & 725' FEL	Section 20
Turner "B" SP Well No. 30	680' FSL & 632' FEL	Section 17
Turner "B" SP Well No. 41	1635' FNL & 1665' FWL	Section 20
Turner "B" SP Well No. 67	1650' FSL & 660' FWL	Section 20
Turner "B" SP Well No. 78	2130' FSL & 1980' FEL	Section 20

(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 expansion of said projects to include such additional lands and injection wells in the area of said projects as may be necessary to complete an efficient water injection pattern.

(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

DAVID F. CARGO, Chairman

GUYTON B. HAYS, Member

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

S E A L

esr/

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

CASE No. 3521

Order No. R-3185-A

IN THE MATTER OF THE APPLICATION OF
SINCLAIR OIL & GAS COMPANY FOR THREE
WATERFLOOD PROJECTS, EDDY COUNTY,
NEW MEXICO.

NINE PRO TUNE ORDER

BY THE COMMISSION:

It appearing to the Commission that through inadvertence,
Order No. R-3185, dated February 1, 1967, does not reflect the
true and correct locations of certain existing wells which were
authorized for conversion to water injection by said order,

IT IS THEREFORE ORDERED:

(1) That the following well locations are hereby substituted
in lieu of those shown in Order No. R-3185 to correctly reflect
the locations of water injection wells authorized by said Order
No. R-3185:

Sinclair Russell Grayburg-Jackson Waterflood Project

Injection wells:

C. A. Russell Well No. 6	990' FNL & 1384' FWL	Section 18
C. A. Russell Well No. 10	2200' FNL & 2665' FEL	Section 18

Sinclair Turner "A" Grayburg-Jackson Waterflood Project

Injection wells:

Turner "A" SP Well No. 2	2200' FSL & 440' FWL	Section 18
Turner "A" SP Well No. 5	330' FNL & 660' FWL	Section 19
Turner "A" SP Well No. 6	660' FSL & 1980' FWL	Section 18
Turner "A" SP Well No. 9	330' FNL & 1980' FEL	Section 19
Turner "A" SP Well No. 10	1980' FSL & 1830' FEL	Section 18
Turner "A" SP Well No. 11	660' FSL & 660' FEL	Section 18
Turner "A" SP Well No. 15	1650' FNL & 1980' FWL	Section 19
Turner "A" SP Well No. 35	1800' FNL & 660' FEL	Section 19

-2-

CASE No. 3521

Order No. R-3185-A

Sinclair Turner "B" Grayburg-Jackson Waterflood Project

Injection wells:

Turner "B" SP Well No. 3	330' FNL & 660' FWL	Section 20
Turner "B" SP Well No. 4	660' FSL & 1980' FWL	Section 17
Turner "B" SP Well No. 5	1980' FSL & 660' FWL	Section 17
Turner "B" SP Well No. 8	660' FNL & 1980' FEL	Section 20
Turner "B" SP Well No. 11	1980' FNL & 660' FEL	Section 20
Turner "B" SP Well No. 30	660' FSL & 660' FEL	Section 17
Turner "B" SP Well No. 41	1650' FNL & 1650' FWL	Section 20
Turner "B" SP Well No. 67	1650' FSL & 660' FWL	Section 20
Turner "B" SP Well No. 78	2080' FSL & 1980' FEL	Section 20

(2) That this order shall be effective nunc pro tunc as of February 1, 1967.

DONE at Santa Fe, New Mexico, on this 19th day of February, 1968.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

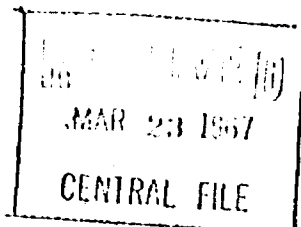
DAVID F. CARGO, Chairman

GUYTON B. HAYS, Member

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

S E A L

esr/



GOVERNOR
DAVID F. CARGO
CHAIRMAN

State of New Mexico

Oil Conservation Commission



LAND COMMISSIONER
GUYTON B. HAYS
MEMBER

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY • DIRECTOR

P. O. BOX 2098
SANTA FE

March 6, 1967

RTA-2
FIELD

Mr. Booker Kelly
White, Gilbert, Koch & Kelly
Attorneys at Law
Post Office Box 787
Santa Fe, New Mexico

Dear Sir:

Reference is made to Commission Order No. R-3185, entered in Case No. 3521, approving the Sinclair Russell Grayburg-Jackson, Sinclair Turner "A" Grayburg-Jackson, and the Sinclair Turner "B" Grayburg-Jackson Waterflood Projects.

Injection into each of the authorized water injection wells shall be through tubing and packer, with the packer in each case being set as near as is practicable to the uppermost open perforation; in the case of open-hole completions, the packer shall be set as near as practicable to the casing shoe. The casing-tubing annulus in each well shall be loaded with a corrosion-inhibiting fluid and the annulus left open or fitted with a pressure gauge connection.

Prior to injection of water into the Turner "A" SP No. 5 and the Turner "B" SP No. 30, the perforations above the packers shall be squeezed with cement. Prior to injection of water into the Turner "A" SP No. 2, which at present has no cement behind the 6 5/8-inch casing, the casing shall be perforated and adequately squeeze cemented. Administrative approval of the Turner "B" SP Well No. 67 as Grayburg-Jackson water injection well and as an Abo producing well must be obtained prior to utilization of said well for water injection purposes.

Note to NFG & WFB noting special provisions 3-22-67
MLA

-2-

Mr. Booker Kelly
White, Gilbert, Koch & Kelly
Attorneys at Law
Santa Fe, New Mexico

March 6, 1967

As to allowable, our calculations indicate that when all 19 of the proposed water injection wells in the three projects have been placed on active injection, the maximum allowable which each of the three projects will be eligible to receive under the provisions of Rule 701-E-3 when the basic normal unit allowable is 42 barrels or less is as follows:

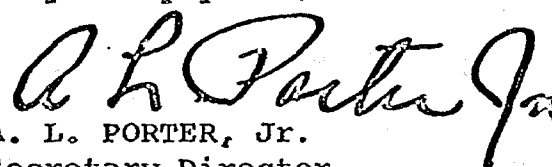
Russell Project:	266 barrels per day
Turner "A" Project:	630 barrels per day
Turner "B" Project:	854 barrels per day

Please report any error in these calculated maximum allowables immediately, both to the Santa Fe office of the Commission and the appropriate district proration office.

In order that the allowable assigned to the projects may be kept current, and in order that the operator may fully benefit from the allowable provisions of Rule 701, it behooves him to promptly notify both of the aforementioned Commission offices by letter of any change in the status of wells in the project area, i.e., when active injection commences, when additional injection or producing wells are drilled, when additional wells are acquired through purchase or unitization, when wells have received a response to water injection, etc.

Your cooperation in keeping the Commission so informed as to the status of the projects and the wells therein will be appreciated.

Very truly yours,


A. L. PORTER, Jr.
Secretary-Director

ALP/DSN/ir

cc: Mr. Frank Irby, State Engineer Office, Santa Fe, N. Mex.

Oil Conservation Commission - Artesia, New Mexico

U. S. Geological Survey - Box 1857 - Roswell, N. Mex.

DRAFT

GMh/dr

(JW)

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:

DM

CASE No. 4781

Order No. R- 4379

APPLICATION OF ATLANTIC RICHFIELD
COMPANY FOR AMENDMENT OF A WATERFLOOD
ORDER AND DUAL COMPLETIONS, EDDY
COUNTY, NEW MEXICO.

AS

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on July 26, 1972,
at Santa Fe, New Mexico, before Examiner Daniel L. Mutter and was
continued to September 13, 1972.

NOW, on this _____ day of August, 1972, the Commission,
a quorum being present, having considered the record and the recom-
mendations of the Examiner, and being fully advised in the premises,

FINDS:

That the applicant's request for dismissal should be
granted.

IT IS THEREFORE ORDERED:

That Case No. 4781 is hereby dismissed.

DONE at Santa Fe, New Mexico, on the day and year hereinabove
designated.

CASE 4782: Appli. of ATLANTIC
FOR A WATERFLOOD PROJECT, EDDY
COUNTY, NEW MEXICO.