

CASE NO.

6547

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APPLICATION,  
TRANSCRIPTS,  
SMALL EXHIBITS,  
ETC.

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
DIVISION FOR THE PURPOSE OF  
CONSIDERING:

CASE NO. 6547  
Order No. R-6028

APPLICATION OF AMERICAN PETROFINA  
COMPANY OF TEXAS FOR A WATERFLOOD  
BUFFER ZONE, LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on May 23, 1979,  
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 12th day of June, 1979, the Division  
Director, 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 Division has jurisdiction of this cause and the  
subject matter thereof.
- (2) That the applicant, American Petrofina Company of  
Texas, seeks the designation of a waterflood buffer zone com-  
prising the NE/4 SE/4 of Section 26, Township 17 South, Range 32  
East, NMPM, Maljamar Grayburg-San Andres Pool, Lea County, New  
Mexico, to enable applicant to produce its Johns B Well No. 4  
located thereon at an unrestricted rate.
- (3) That the proposed buffer zone and said Johns B Well  
No. 4 are offset to the North, East and West by San Andres injec-  
tion wells in the Continental Oil Company Maljamar Cooperative  
Unit Waterflood Project.
- (4) That if said Johns B Well No. 4 is not permitted to  
produce at an unrestricted rate oil may be swept past the well  
and to the South where it may remain unrecovered.
- (5) That approval of the subject application will permit  
the applicant the opportunity to recover its share of the oil in  
the Maljamar Grayburg-San Andres Pool, thereby protecting

-2-

Case No. 6547  
Order No. R-6028

correlative rights, and will permit the applicant to recover oil which might otherwise remain unrecovered, thereby preventing waste.

(6) That the application should be approved.

IT IS THEREFORE ORDERED:

(1) That the application of American Petrofina Company of Texas for a waterflood buffer zone comprising the NE/4 SE/4 of Section 26, Township 17 South, Range 32 East, NMPM, Maljamar Grayburg-San Andres Pool, Lea County, New Mexico, is hereby approved, and said lands are hereby designated as a waterflood buffer zone.

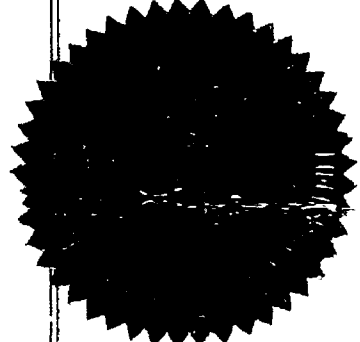
(2) That the supervisor of the Division's district office at Hobbs is hereby authorized to grant an allowable within such buffer zone equivalent to the ability of the well, or wells, thereon, to produce.

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

  
JOE D. RAMEY  
Director

  
S E A L

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STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
Oil Conservation Division  
State Land Office Bldg.  
Santa Fe, New Mexico  
23 May 1979

EXAMINER HEARING

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IN THE MATTER OF:	)	
	)	
	)	
Application of American Petrofina	)	CASE
Company of Texas for the creation	)	6547
of a waterflood buffer zone, Lea	)	
County, New Mexico.	)	
	)	

-----

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation	Ernest L. Padilla, Esq.
Division:	Legal Counsel for the Division
	State Land Office Bldg.
	Santa Fe, New Mexico 87501

For the Applicant:	William F. Carr, Esq.
	CAMPBELL & BLACK
	Jefferson Plaza
	Santa Fe, New Mexico 87501

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I N D E X

J. C. CHAPMAN

Direct Examination by Mr. Carr	3
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E X H I B I T S

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Applicant Exhibit Three, Cross Section	6
Applicant Exhibit Four, Production Graph	7

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1 MR. STAMETS: We'll call next Case 6547.

2 MR. PADILLA: Application of American  
3 Petrofina Company of Texas for the creation of a waterflood  
4 buffer zone, Lea County, New Mexico.

5 MR. STAMETS: Call for appearances in  
6 this case.

7 MR. CARR: May it please the Examiner,  
8 I'm William F. Carr, Campbell and Black, P. A., Santa Fe,  
9 appearing on behalf of the applicant. I have one witness  
10 who needs to be sworn.

11  
12 (Witness sworn.)

13  
14 J. C. CHAPMAN

15 being called as a witness and having been duly sworn upon  
16 his oath, testified as follows, to-wit:

17  
18 DIRECT EXAMINATION

19 BY MR. CARR:

20 Q Will you state your name and place of  
21 residence?

22 A. James C. Chapman, Big Spring, Texas.

23 Q Mr. Chapman, by whom are you employed and  
24 in what capacity?

25 A. Assistant District Production Manager,

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1 American Petrofina Company of Texas.

2 Q Mr. Chapman, have you previously testified  
3 before this Commission and had your credentials accepted  
4 and made a matter of record?

5 A Yes, I have.

6 Q Are you familiar with the application of  
7 American Petrofina in this case?

8 A Yes.

9 MR. CARR: Mr. Examiner, are the witness'  
10 qualifications acceptable?

11 MR. STAMETS: They are.

12 Q (Mr. Carr continuing.) Mr. Chapman, would  
13 you briefly state what American Petrofina Company of Texas  
14 is seeking with this application?

15 A We're seeking a buffer zone allowable on  
16 a well offsetting the Continental's NCA Unit in the Maljamar  
17 Field, Lea County.

18 Q Will you please refer to what has been  
19 marked for identification as Exhibit Number One and explain  
20 to the Examiner what it is and what it shows?

21 A This is a map showing the area around a  
22 lease owned by American Petrofina in the Maljamar Field.  
23 It's the -- most of the southeast quarter of Section 26,  
24 Township 17 South, Range 32 East. The lease, Johns B lease,  
25 takes in all but the northwest quarter of that southeast

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1 quarter of the section.

2 Q Now the acreage which is the subject of  
3 this application consists only of the northeast quarter of  
4 the southeast quarter, is that correct?

5 A That's right, 40 acres.

6 Q And does this plat also show the location  
7 of offsetting injection wells?

8 A Yes. The wells owned by Continental has  
9 their injection wells offsetting to the west, offsetting to  
10 the north, and offsetting to the east of the location in  
11 question.

12 Q Would you give the well numbers for each  
13 of those injection wells?

14 A They are the MCA Units No. 141, north  
15 offset, and the 189, the west offset, and No. 190, the  
16 east offset, to the well in question.

17 Q Mr. Chapman, would you refer now to what  
18 has been marked as Exhibit Number Two and explain that to  
19 the Examiner?

20 A This is a cross section labeled A-A'  
21 across east and west, including the well on the Johns B,  
22 the Johns B Well No. 4, and showing the injection well to  
23 the west, operated by Continental, and also the one to the  
24 east, operated by Continental.

25 On the cross section is indicated the top

1 of the San Andres formation, which shows that the formation  
2 is fairly flat through there. The west offset shows the  
3 injection interval below the casing seat at about 4100.  
4 The open hole section is the injection interval into the  
5 lower part of the Grayburg and top part of the San Andres  
6 zone.

7 And the middle well, the Johns B-4,  
8 shows the perforations in the lower part of the Permian --  
9 I mean the Premier Sand, or Grayburg Sand, which the Johns  
10 B-4 is producing from.

11 And the east offset also shows the in-  
12 jection interval below the casing seat in the well, Con-  
13 tinental's MCA No. 190, and the casing seat being about  
14 3885 and water appearing below that point in open hole.

15 Q Mr. Chapman, is it a fair characterization  
16 of this exhibit to state that the injection interval in  
17 each of the offsetting wells corresponds with the production  
18 or producing interval in the Johns B No. 4?

19 A Yes, they correlate well. The well is  
20 producing from the same interval.

21 Q Will you now refer to what has been  
22 marked Exhibit Number Three and explain this to the  
23 Examiner?

24 A This is another cross section, only this  
25 time it's the north and south cross section, showing the

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1 Johns B-4 at the south end of the line, and the MCA Unit,  
2 Continental MCA Unit No. 141, to the north of it.

3                   Again, it shows the perforated interval  
4 in the Johns B-4 producing from the lower part of the  
5 Grayburg, and also the injecting interval in the MCA Unit  
6 No. 141 below the casing point of about 3835 to 41 or about  
7 4200. The injection is in open hole below the casing seat.

8                   Q           Will you now refer to what has been  
9 marked as Exhibit Number Four and explain this to the  
10 Examiner?

11                   A           This is an exhibit showing the production  
12 graph on the barrels per month for the well, Johns B No. 4,  
13 starting from the year 1963, extending to the present time.  
14 The solid line is the production in barrels per month. As  
15 you can see, it was in an area of along about 1971 and  
16 very gradually increased in production to a point where in  
17 April of this year it was about 2400 barrels per month for  
18 this well as a result of waterflood response, and it had  
19 the top allowable for the field.

20                   Q           When was injection commenced in the off-  
21 setting wells?

22                   A           1969.

23                   Q           And do you know what volumes have been  
24 injected to date?

25                   A           Up through February the 141, MCA Unit 141,

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1 had injected 116,258 barrels.

2 The 189, the west offset, was 129,639  
3 barrels, and the east offset, MCA 190, injected 271,885  
4 barrels of water.

5 Q What effect is this injection having on  
6 the Johns B No. 4, other than just the increase in the rate  
7 of production?

8 A Well, it will eventually water out and  
9 result in premature abandonment of the well.

10 Q Now I believe you stated the Johns B No. 4  
11 was a top allowable well?

12 A At the present time, yes.

13 Q Have you had to shut in the well due to  
14 high rates of production?

15 A We have not up to this time but going  
16 from the trend, it appears that we will be having to do  
17 that.

18 Q Are there any San Andres wells to the  
19 south of the Johns B No. 4 which in your opinion could  
20 pick up the oil that is being swept from this lease?

21 A Well, there are none.

22 Q Could you drill one?

23 A We could but it would not be economical  
24 at that area.

25 Q Mr. Chapman, do you have a recommendation

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1 to make to the Examiner as to the allowable that should be  
2 assigned to this well?

3 A. I recommend that this well be given a  
4 capacity allowable.

5 Q. In your opinion would granting this re-  
6 quest prevent waste?

7 A. It definitely would.

8 Q. Would it protect correlative rights?

9 A. Yes.

10 Q. Were Exhibits One through Four prepared  
11 either by you or under your direction and supervision?

12 A. Yes, they were.

13 MR. CARR: Mr. Examiner, at this time  
14 we would offer Applicant's Exhibits One through Four.

15 MR. STAMETS: These exhibits will be  
16 admitted.

17 MR. CARR: I have nothing further on  
18 direct.

19  
20 CROSS EXAMINATION

21 BY MR. STAMETS:

22 Q. Mr. Chapman, on your plat the wells, MCA  
23 Unit 141, 190, and 189, all seem to have dry holes or  
24 plugged and abandoned symbols on them. Are those left over  
25 from another era?

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1           A.       That's just the designation of whoever  
2 made the plat originally previous to the water injection  
3 well. As you see on the plat, WI, standing for water in-  
4 jection.

5           Q        So those are active?

6           A        Yes.

7           Q        Injection wells?

8           A        Yes, they are definitely active.

9           Q        All right, and you do have one other  
10 Grayburg-San Andres well on that lease, being the No. 3.

11          A        That's right.

12          Q        But that well, could that No. 3 Well pick  
13 up any oil that was swept past No. 4?

14          A        Very -- not very likely that it could, and  
15 so far, although it has two offsetting injection wells, it  
16 has not had any appreciable flood response.

17          Q        Have you planned -- well, how about Well  
18 No. 5 on the Johns B lease? That was drilled through the  
19 Grayburg-San Andres section to reach the Abo. Have you  
20 examined the logs on that well to determine whether or not  
21 there's any productive potential in the Grayburg and San  
22 Andres?

23          A        There is some porosity in that well there  
24 but it wasn't thought that it was sufficient to make an  
25 economical proposition to drill a second well.

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1 Q Do you have any plans for perforating the  
2 Grayburg and San Andres zones in that well?

3 A Not any immediate plans, no; at such time  
4 as the well becomes economic to produce, then we will try  
5 to do that.

6 Q How about the quality of the pay in that  
7 No. 5? Is it as good as No. 4 or much less so?

8 A Well, it's quite a bit less than the  
9 No. 4.

10 Q So your best shot at picking up this oil  
11 is as it goes by No. 4.

12 A Right, yes, sir.

13 MR. STAMETS: Any other questions of the  
14 witness? He may be excused.

15 Anything further in this case?

16 MR. CARR: Nothing further.

17 MR. STAMETS: The case will be taken  
18 under advisement.

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20 (Hearing concluded.)  
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REPORTER'S CERTIFICATE

I, SALLY W. BOYD, a Court Reporter, DO HEREBY CERTIFY that the foregoing and attached Transcript of Hearing before the Oil Conservation Division was reported by me; that said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability, knowledge, and skill, from my notes taken at the time of the hearing.

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Sally W. Boyd CSR  
Sally W. Boyd CSR

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 6547 heard by me on 5-23 1979.

Richard L. Stumck, Examiner  
Oil Conservation Division



STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
Oil Conservation Division  
State Land Office Bldg.  
Santa Fe, New Mexico  
23 May 1979

EXAMINER HEARING

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Legal Counsel for the Division  
State Land Office Bldg.  
Santa Fe, New Mexico 87501

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CAMPBELL & BLACK  
Jefferson Plaza  
Santa Fe, New Mexico 87501

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I N D E X

J. C. CHAPMAN

Direct Examination by Mr. Carr	3
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E X H I B I T S

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CERTIFIED SHORTHAND REPORTER  
303 Plaza Blanca (S.S.) 471-2452  
Santa Fe, New Mexico 87501

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2 MR. PABULLA: Application of American  
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12 (Witness sworn.)

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15 being called as a witness and having been duly sworn upon  
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19 BY MR. CARR:

20 Q Will you state your name and place of  
21 residence?

22 A James C. Chapman, Big Spring, Texas.

23 Q Mr. Chapman, by whom are you employed and  
24 in what capacity?

25 A Assistant District Production Manager,

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American Petrofina Company of Texas.

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A Yes, I have.

Q Are you familiar with the application of American Petrofina in this case?

A Yes.

MR. CARR: Mr. Examiner, are the witness' qualifications acceptable?

MR. STAMETS: They are.

Q (Mr. Carr continuing.) Mr. Chapman, would you briefly state what American Petrofina Company of Texas is seeking with this application?

A We're seeking a buffer zone allowable on a well offsetting the Continental's NCA Unit in the Maljamar Field, Lea County.

Q Will you please refer to what has been marked for identification as Exhibit Number One and explain to the Examiner what it is and what it shows?

A This is a map showing the area around a lease owned by American Petrofina in the Maljamar Field. It's the -- most of the southeast quarter of Section 26, Township 17 South, Range 32 East. The lease, Johns B lease, takes in all but the northwest quarter of that southeast

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1 quarter of the section.

2 Q Now the acreage which is the subject of  
3 this application consists only of the northeast quarter of  
4 the southeast quarter, is that correct?

5 A That's right, 40 acres.

6 Q And does this plat also show the location  
7 of offsetting injection wells?

8 A Yes. The wells owned by Continental has  
9 their injection wells offsetting to the west, offsetting to  
10 the north, and offsetting to the east of the location in  
11 question.

12 Q Would you give the well numbers for each  
13 of those injection wells?

14 A They are the MCA Units No. 141, north  
15 offset, and the 189, the west offset, and No. 190, the  
16 east offset, to the well in question.

17 Q Mr. Chapman, would you refer now to what  
18 has been marked as Exhibit Number Two and explain that to  
19 the Examiner?

20 A This is a cross section labeled A-A'  
21 across east and west, including the well on the Johns B,  
22 the Johns B Well No. 4, and showing the injection well to  
23 the west, operated by Continental, and also the one to the  
24 east, operated by Continental.

25 On the cross section is indicated the top

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1 of the San Andres formation, which shows that the formation  
2 is fairly flat through there. The west offset shows the  
3 injection interval below the casing seat at about 4100.  
4 The open hole section is the injection interval into the  
5 lower part of the Grayburg and top part of the San Andres  
6 zone.

7 And the middle well, the Johns B-4,  
8 shows the perforations in the lower part of the Permian --  
9 I mean the Premier Sand, or Grayburg Sand, which the Johns  
10 B-4 is producing from.

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12 jection interval below the casing seat in the well, Con-  
13 tinental's MCA No. 190, and the casing seat being about  
14 3885 and water appearing below that point in open hole.

15 Q Mr. Chapman, is it a fair characterization  
16 of this exhibit to state that the injection interval in  
17 each of the offsetting wells corresponds with the production  
18 or producing interval in the Johns B No. 4?

19 A Yes, they correlate well. The well is  
20 producing from the same interval.

21 Q Will you now refer to what has been  
22 marked Exhibit Number three and explain this to the  
23 Examiner?

24 A This is another cross section, only this  
25 time it's the north and south cross section, showing the

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Johns B-4 at the south end of the line, and the MCA Unit, Continental MCA Unit No. 141, to the north of it.

Again, it shows the perforated interval in the Johns B-4 producing from the lower part of the Grayburg, and also the injecting interval in the MCA Unit No. 141 below the casing point of about 3835 to 41 or about 4200. The injection is in open hole below the casing seat.

Q Will you now refer to what has been marked as Exhibit Number Four and explain this to the Examiner?

A This is an exhibit showing the production graph on the barrels per month for the well, Johns B No. 4, starting from the year 1963, extending to the present time. The solid line is the production in barrels per month. As you can see, it was in an area of along about 1971 and very gradually increased in production to a point where in April of this year it was about 2400 barrels per month for this well as a result of waterflood response, and it had the top allowable for the field.

Q When was injection commenced in the off-setting wells?

A. 1969.

Q And do you know what volumes have been injected to date?

A. Up through February the 141, MCA Unit 141,

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1 to make to the Examiner as to the allowable that should be  
2 assigned to this well?

3 A I recommend that this well be given a  
4 capacity allowable.

5 Q In your opinion would granting this re-  
6 quest prevent waste?

7 A It definitely would.

8 Q Would it protect correlative rights?

9 A Yes.

10 Q Were Exhibits One through Four prepared  
11 either by you or under your direction and supervision?

12 A Yes, they were.

13 MR. CARR: Mr. Examiner, at this time  
14 we would offer Applicant's Exhibits One through Four.

15 MR. STAMETS: These exhibits will be  
16 admitted.

17 MR. CARR: I have nothing further on  
18 direct.

19  
20 CROSS EXAMINATION

21 BY MR. STAMETS:

22 Q Mr. Chapman, on your plat the wells, MCA  
23 Unit 141, 190, and 189, all seem to have dry holes or  
24 plugged and abandoned symbols on them. Are those left over  
25 from another era?

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
3020 Plaza Blanca (SOS) 471-2482  
Santa Fe, New Mexico 87501

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A. That's just the designation of whoever made the plat originally previous to the water injection well. As you see on the plat, W1, standing for water injection.

Q So those are active?

A. Yes.

Q Injection wells?

A. Yes, they are definitely active.

Q All right, and you do have one other Grayburg-San Andres well on that lease, being the No. 3.

A. That's right.

Q But that well, could that No. 3 Well pick up any oil that was swept past No. 4?

A. Very -- not very likely that it could, and so far, although it has two offsetting injection wells, it has not had any appreciable flood response.

Q Have you planned -- well, how about Well No. 5 on the Johns B lease? That was drilled through the Grayburg-San Andres section to reach the Abo. Have you examined the logs on that well to determine whether or not there's any productive potential in the Grayburg and San Andres?

A. There is some porosity in that well there but it wasn't thought that it was sufficient to make an economical proposition to drill a second well.

SALLY WALTON BOYD  
CERTIFIED SHORTHAND REPORTER  
3028 Plaza Blanca (595) 471-2462  
Suite 7c, New Mexico 87101

1 Q Do you have any plans for perforating the  
2 Grayburg and San Andres zones in that well?

3 A Not any immediate plans, no; at such time  
4 as the well becomes economic to produce, then we will try  
5 to do that.

6 Q How about the quality of the pay in that  
7 No. 5? Is it as good as No. 4 or much less so?

8 A Well, it's quite a bit less than the  
9 No. 4.

10 Q So your best shot at picking up this oil  
11 is as it goes by No. 4.

12 A Right, yes, sir.

13 MR. STAMETS: Any other questions of the  
14 witness? He may be excused.

15 Anything further in this case?

16 MR. CARR: Nothing further.

17 MR. STAMETS: The case will be taken  
18 under advisement.

19

20 (Hearing concluded.)

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**SALLY WALTON BOYD**  
CERTIFIED SHORTHAND REPORTER  
3020 Plaza Blanca (595) 471-2462  
Santa Fe, New Mexico 87501

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REPORTER'S CERTIFICATE

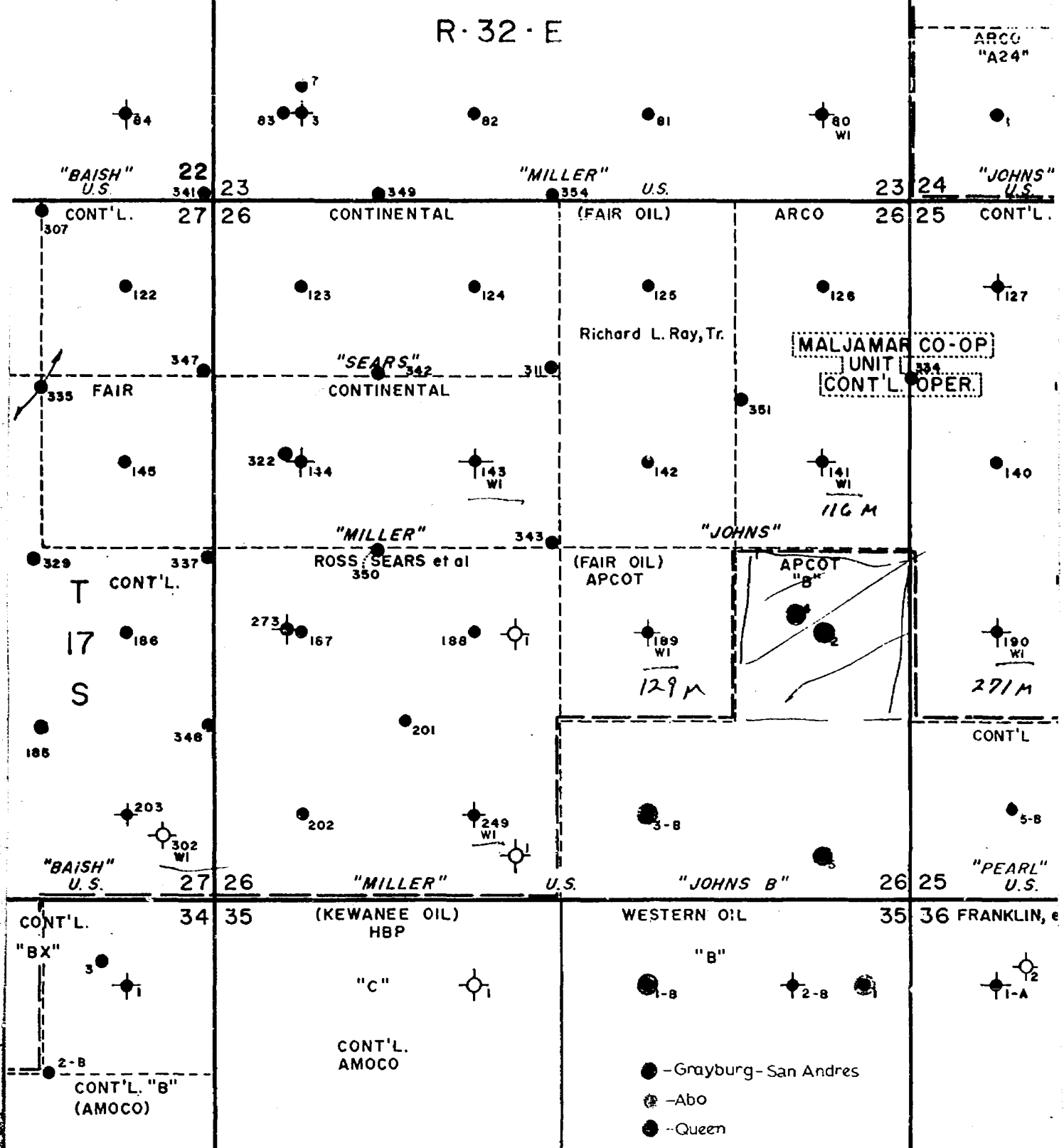
I, SALLY W. BOYD, a Court Reporter, DO HEREBY CERTIFY that the foregoing and attached transcript of Hearing before the Oil Conservation Division was reported by me; that said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability, knowledge, and skill, from my notes taken at the time of the hearing.

\_\_\_\_\_  
Sally W. Boyd CSR

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. \_\_\_\_\_ heard by me on \_\_\_\_\_ 19\_\_\_\_\_,  
\_\_\_\_\_, Examiner  
Oil Conservation Division

**SALLY WALTON BOYD**  
CERTIFIED SHORTHAND REPORTER  
3020 Plaza Blanca (698) 471-2462  
Santa Fe, New Mexico 87501

R-32-E



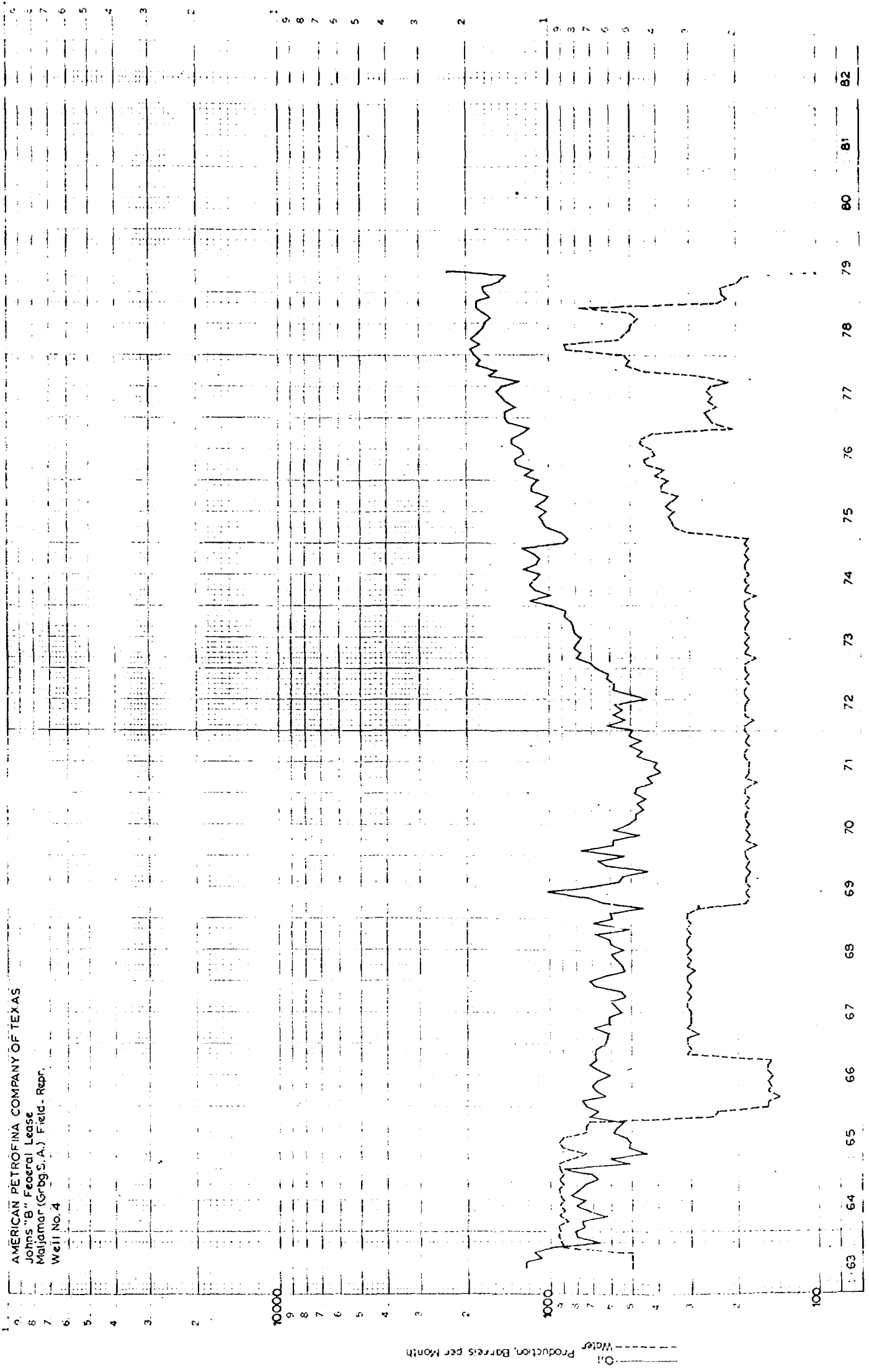
FLAT OF  
**AMERICAN PETROFINA CO. OF TEXAS**  
**JOHNS "B" LEASE**

S/2, SE/4 & NE/4, SE/4 SECTION 26, T-17-S, R-32-E

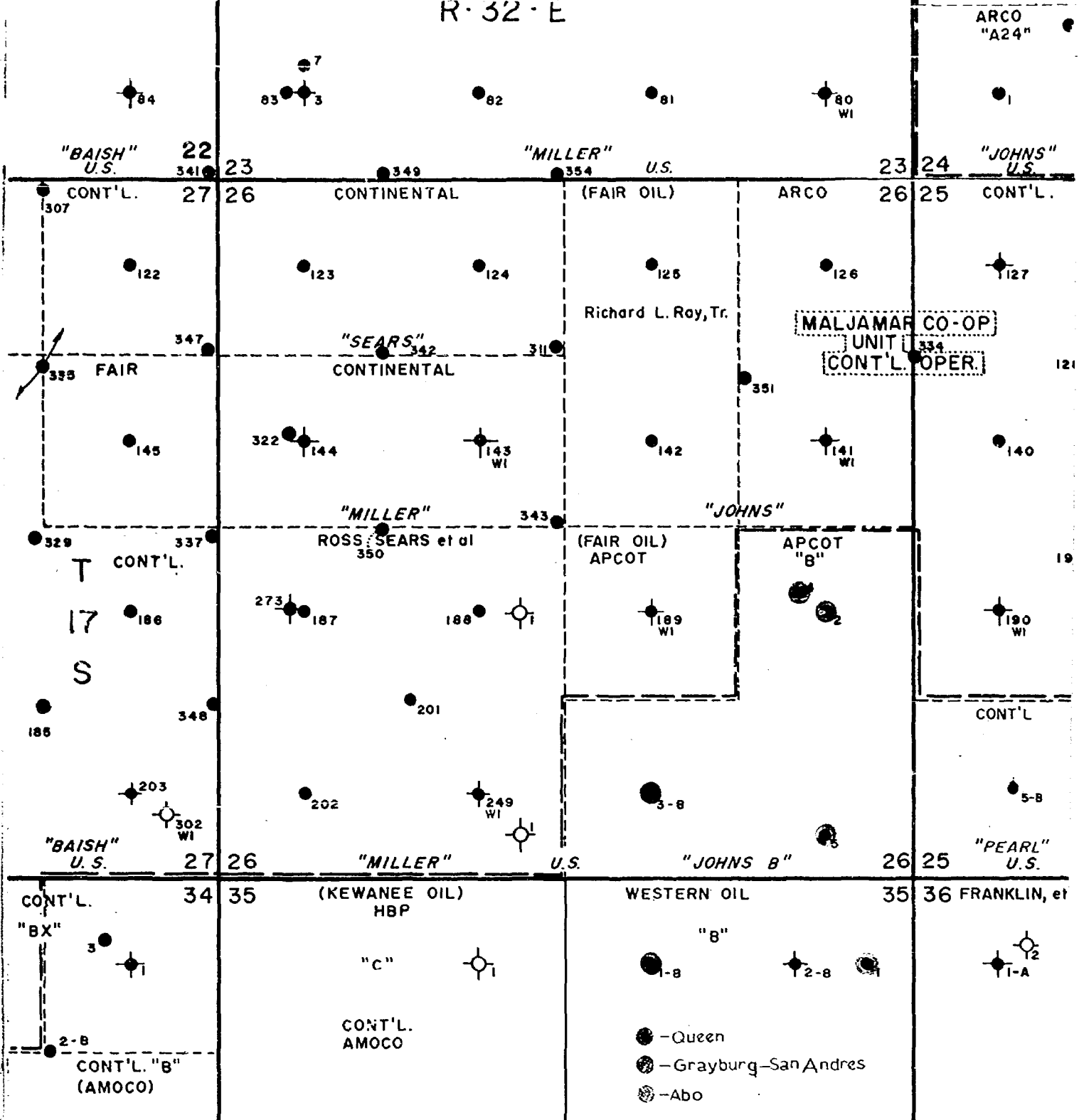
**MALJAMAR (SAN ANDRES) & PEARSALL (QUEEN) FIELDS**  
**SW LEA COUNTY, NEW MEXICO**

SCALE: 1" = 1000'

AMERICAN PETROFINA COMPANY OF TEXAS  
 Johns "B" Federal Lease  
 Matamor (Grdg. S.A.) Field - Repr.  
 Well No. 4



R-32-E

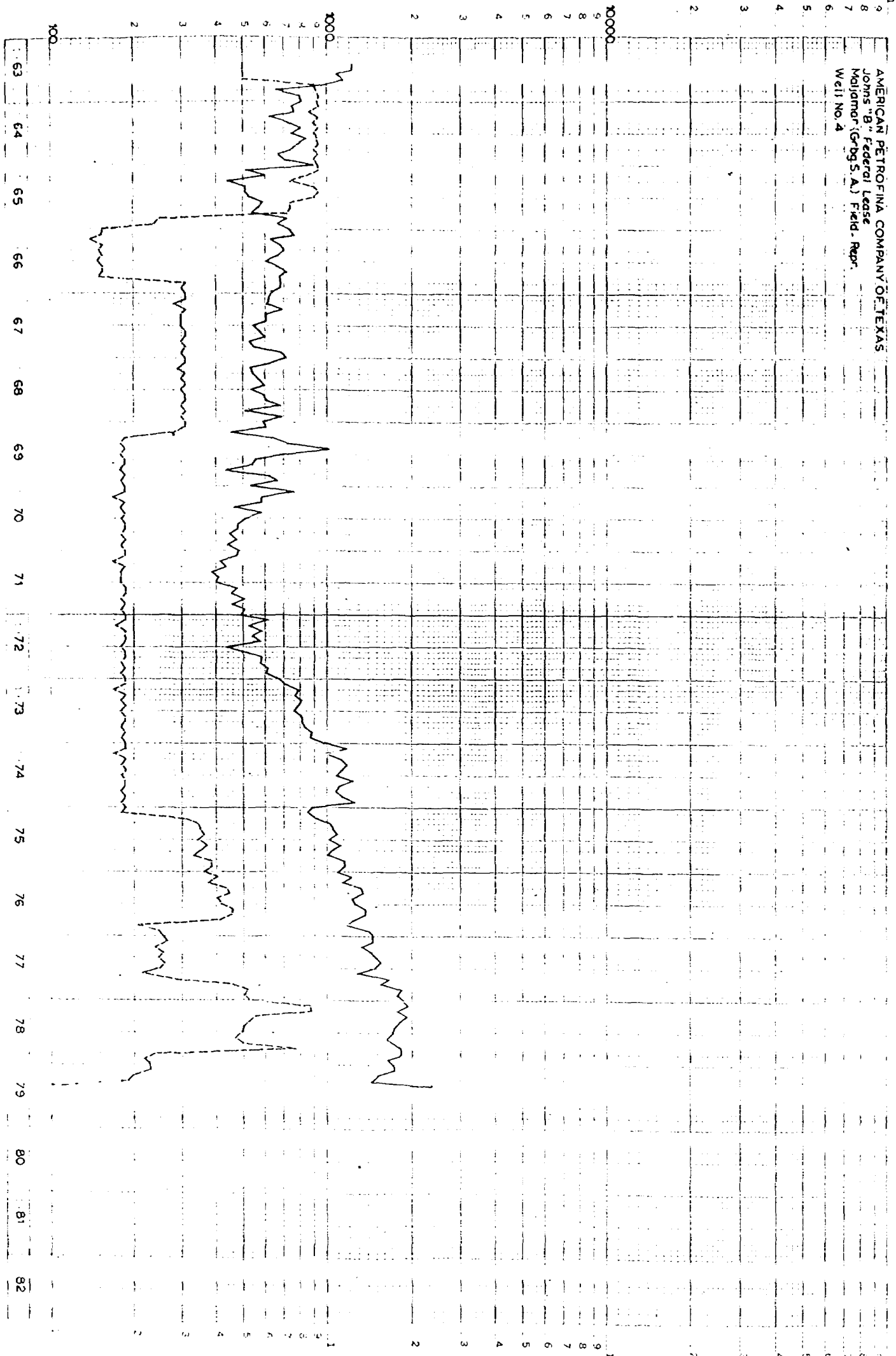


PLAT OF  
**AMERICAN PETROFINA CO. OF TEXAS**  
**JOHNS "B" LEASE**  
 S/2, SE/4 & NE/4, SE/4 SECTION 26, T-17-S, R-32-E  
**MALJAMAR (SAN ANDRES) & PEARSALL (QUEEN) FIELDS**  
**SW LEA COUNTY, NEW MEXICO**

SCALE: 1" = 1000'

Case 6547

Oil Production, Barrels per Month  
Water



AMERICAN PETROFINA COMPANY OF TEXAS  
 Johns "B" Federal Lease  
 Nojamar (Grbg S. A.) Field, Repr.  
 Well No. 4

EX#4  
 6-10-82



Dockets Nos. 73-79 and 74-79 are tentatively set for hearing on June 13 and 27, 1979. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - MAY 23, 1979

9 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM,  
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Richard L. Stamets, Examiner, or Daniel S. Nutter, Alternate Examiner:

CASE 6545: In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Corinne Grace, Travelers Indemnity Company, and all other interested parties to appear and show cause why the Kuklah Baby Well No. 1 located in Unit G of Section 24, Township 22 South, Range 26 East, Eddy County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6422: (Continued from February 28, 1979, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division on its own motion to permit Helton Engineering & Geological Services, Inc., Travelers Indemnity Company, and all other interested parties to appear and show cause why the Brent Well No. 1 located in Unit M of Section 29 and the Brent Well No. 3 located in Unit G of Section 19, both in Township 13 North, Range 6 East, Sandoval County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program.

CASE 6546: Application of Black River Corporation for compulsory pooling and non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Jalmat Gas Pool underlying the SW/4 of Section 32, Township 23 South, Range 37 East, to form a 160-acre non-standard gas proration unit to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 6536: (Continued from May 9, 1979, Examiner Hearing)

Application of Black River Corporation for two non-standard gas proration units, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for two 80-acre non-standard gas proration units in the Jalmat Gas Pool as follows: the N/2 SE/4 of Section 22, Township 23 South, Range 36 East, to be dedicated to applicant's well to be drilled in Unit J of said Section 22; and the S/2 SE/4 of said Section 22 to be dedicated to El Paso Natural Gas Company's Shell State Well No. 3 located in Unit P.

CASE 6535: (Continued from May 9, 1979, Examiner Hearing)

Application of Torreon Oil Company for a waterflood project, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the San Luis-Mesaverde Pool by the injection of water into the Menefee formation through two wells located in Section 21, Township 18 North, Range 3 West, Sandoval County, New Mexico.

CASE 6547: Application of American Petrofina Company of Texas for the creation of a waterflood buffer zone, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a waterflood buffer zone comprising the NE/4 SE/4 of Section 26, Township 17 South, Range 32 East, Maljamar Grayburg-San Andres Pool, to enable applicant to produce its Johns B Well No. 4 located thereon at an unrestricted rate.

CASE 6548: Application of John F. Staver for salt water disposal, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Dakota formation through the open hole interval from 1408 feet to 1412 feet in his Table Mesa Well No. 22 located in Unit N and from 1394 feet to 1400 feet in his Table Mesa Well No. 23 located in Unit O, both in Section 34, Township 28 North, Range 17 West, Table Mesa-Dakota Oil Pool.

CASE 6549: Application of Gulf Oil Corporation for pool creation, discovery allowable, and special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order creating a new Bone Springs oil pool for its Lea "YH" State Well No. 1 located in Unit O of Section 25, Township 18 South, Range 34 East. Applicant also seeks a discovery allowable and promulgation of special pool rules, including a provision for 80-acre spacing.

CASE 6550: Application of Yates Petroleum Corporation for an unorthodox gas well location and compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp through Mississippian formations underlying the S/2 of Section 12, Township 19 South, Range 24 East, to be dedicated to its Allison Federal "CQ" Well No. 2 to be drilled at an unorthodox location 1980 feet from the South line and 660 feet from the West line of said Section 12. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 6492: (Continued from May 9, 1979, Examiner Hearing)

Application of Yates Petroleum Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the San Andres formation underlying the NE/4 NW/4 of Section 13, Township 17 South, Range 25 East, Eddy County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 6551: Application of Bass Enterprises Production Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox Lower Morrow gas well location 1980 feet from the North line and 660 feet from the East line of Section 1, Township 19 South, Range 28 East, the N/2 of said Section 1 to be dedicated to the well.

CASE 6528: (Continued from April 25, 1979, Examiner Hearing)

Application of Bass Enterprises Production Co. for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox Morrow test well location to be drilled 660 feet from the North and West lines of Section 10, Township 21 South, Range 32 East, Lea County, New Mexico, the W/2 of said Section 10 to be dedicated to the well.

CASE 6552: Application of Maddox Energy Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the E/2 of Section 3, Township 24 South, Range 28 East, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 6553: Application of The Atlantic Richfield Company for approval of infill drilling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks a finding that the Division waived existing well-spacing requirements and found that the drilling of additional wells was necessary to effectively and efficiently drain those portions of the proration units in the Empire Abo Unit located in Townships 17 and 18 South, Ranges 27, 28 and 29 East, which could not be so drained by the existing wells.

CASE 6554: Application of The Atlantic Richfield Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all royalty interests in the Devonian, McKee, and Ellenburger formations underlying the E/2 of Section 20, Township 22 South, Range 36 East, Langlie Field, to be dedicated to a well to be drilled at a standard location thereon.

CASE 6555: Application of Jake L. Hanon for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox location 660 feet from the North line and 560 feet from the East line of Section 30, Township 20 South, Range 36 East, North Osudo-Morrow Gas Pool, all of said Section 30 to be dedicated to the well.

CASE 6556: Application of Curtis Little for the amendment of Order No. R-5962, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-5962 to provide for the unorthodox location of a well to be drilled 1000 feet from the South line and 50 feet from the East line of Section 11, Township 28 North, Range 12 West, Basin-Dakota Pool, and for the extension of the date to commence drilling.

CASE 6435: (Continued from February 28, 1979, Examiner Hearing)

Application of Amerada Hess Corporation for approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a finding that the drilling of its W. A. Weir "B" Well No. 3 located in Unit B of Section 26, Township 19 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well, and further seeks approval of a waiver of existing well-spacing requirements.

CASE 6559: Application of Roy L. McKay for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for his Morton Solid State Unit Area, comprising 1,480 acres, more or less, of State lands in Township 15 South, Range 34 East.

CASE 6487: (Continued from February 28, 1979, Examiner Hearing)

Application of El Paso Natural Gas Company for approval of infill drilling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its Shell E State Com Well No. 2 located in Unit N of Section 6, Township 21 South, Range 36 East, Emont Gas Pool, Lea County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.

CASE 6471: (Continued from February 28, 1979, Examiner Hearing)

Application of Consolidated Oil & Gas, Inc. for approval of infill drilling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its Freeman Well No. 1-A to be located in Unit C of Section 11, Township 31 North, Range 13 West, Basin-Dakota Pool, San Juan County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.

CASE 6472: (Continued from February 28, 1979, Examiner Hearing)

Application of Consolidated Oil & Gas, Inc. for approval of infill drilling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its Jenny Well No. 1-A to be located in Unit P of Section 13, Township 26 North, Range 4 West, Basin-Dakota Pool, Rio Arriba County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.

CASE 6473: (Continued from February 28, 1979, Examiner Hearing)

Application of Consolidated Oil & Gas, Inc. for approval of infill drilling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its McIntyre Well No. 1-A to be located in Unit K of Section 11, Township 26 North, Range 4 West, Basin-Dakota Pool, Rio Arriba County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.

CASE 6474: (Continued from February 28, 1979, Examiner Hearing)

Application of Consolidated Oil & Gas, Inc. for approval of infill drilling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its Williams Well No. 1-A to be located in Unit C of Section 24, Township 31 North, Range 13 West, Basin-Dakota Pool, San Juan County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.

CASE 6475: (Continued from February 28, 1979, Examiner Hearing)

Application of Consolidated Oil & Gas, Inc. for approval of infill drilling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks a waiver of existing well-spacing requirements and a finding that the drilling of its Montoya Well No. 1-A to be located in Unit I of Section 35, Township 32 North, Range 13 West, Basin-Dakota Pool, San Juan County, New Mexico, is necessary to effectively and efficiently drain that portion of the proration unit which cannot be so drained by the existing well.

DOCKET: COMMISSION HEARING - TUESDAY - MAY 29, 1979

OIL CONSERVATION COMMISSION - 9 A.M. - ROOM 205  
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

---

CASE 6557: Application of Getty Oil Company for pool creation and special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order creating a new Morrow gas pool for its State 35 Well No. 1 located in Unit K of Section 35, Township 21 South, Range 34 East, and its Getty Two State Well No. 1 located in Unit F of Section 2, Township 22 South, Range 34 East, and for promulgation of special pool rules, including provision for 640-acre gas well spacing.

CASE 6497: (DE NOVO)

Application of Llano, Inc. for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of a well to be located 1650 feet from the South line and 660 feet from the East line of Section 34, Township 21 South, Range 34 East, Grama Ridge-Morrow Gas Pool, the E/2 of said Section 34 to be dedicated to the well.

Upon application of Getty Oil Company this case will be heard De Novo pursuant to the provisions of Rule 1220.

CASE 6558: Application of Llano, Inc. for a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 320-acre non-standard gas proration unit comprising the E/2 of Section 34, Township 21 South, Range 34 East, to be dedicated to its Llano 34 State Com Well No. 1 located in Unit I of said Section 34.

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MAY - 3 1979

BEFORE THE  
OIL CONSERVATION DIVISION

OIL CONSERVATION DIVISION  
SANTA FE

NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS

IN THE MATTER OF THE APPLICATION OF  
AMERICAN PETROFINA COMPANY OF TEXAS  
FOR THE CREATION OF A BUFFER ZONE  
WITH SPECIAL ALLOWABLES FOR WELLS  
LOCATED IN THE NE/4 SE/4 of SECTION  
26, TOWNSHIP 17 SOUTH, RANGE 32 EAST,  
NMPM, LEA COUNTY, NEW MEXICO.

CASE NO. 6547

APPLICATION

Comes now AMERICAN PETROFINA COMPANY OF TEXAS, by and through its undersigned attorneys, and applies to the New Mexico Oil Conservation Division for approval of a Buffer Zone and Special Allowables, Maljamar Field, Glorieta-San Andres Pool, Lea County, New Mexico, and in support of its application respectfully states:

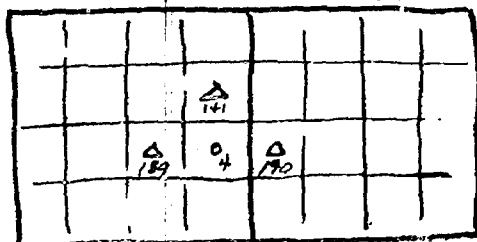
(1) By Order No. R-2403 dated December 21, 1962, the New Mexico Oil Conservation Commission granted the Application of Continental Oil Company for approval of the Maljamar Cooperative Area Unit Agreement (MCA Unit), Lea County, New Mexico.

(2) As part of its operation in the MCA Unit, Continental Oil Company is injecting water into the ~~Glorieta~~<sup>Maljamar</sup> and San Andres formations in the Maljamar Field through each of the following wells in Township 17 South, Range 32 East, Lea County, New Mexico:

MCA Unit Well No. 141 located 1980 feet from the North line and 660 feet from the East line of Section 26.

MCA Unit Well No. 189 located 1980 feet from the South and East lines of Section 26.

MCA Unit Well No. 190 located 1980 feet from the South line and 660 feet from the West line of Section 25.



(3) That the applicant operates its Johns B Well No. 4 in Unit I of Section 26, Township 17 South, Range 32 East, Lea County, New Mexico for the production of hydrocarbons from the Glorieta and San Andres Formations, Maljamar Pool.

(4) That applicants Johns B Well No. 4 is offset to the North, East and West by the water injection wells referred to in paragraph No. 2 hereinabove.

(5) That production from the Johns B Well No. 4 showed an immediate response to the injection of water in the offsetting wells in the MCA Unit.

(6) That as a result of the water injection program in the MCA Unit, oil is being swept from applicant's lease.

(7) That applicant seeks the creation of a Buffer Zone comprised of the NE/4 of the SE/4 of Section 26, Township 17 South, Range 32 East, Lea County, New Mexico under Oil Conservation Division Rule 701 E 3 and establishment of special allowables to enable applicant to produce its said Johns B Well No. 4 at an unrestricted rate.

(8) That approval of a Buffer Zone Allowable for the Johns B Well No. 4 is imperative to protect the correlative rights of the applicant, will not impair the correlative rights of others, will result in the recovery of hydrocarbons that would otherwise be lost thereby preventing waste and will otherwise be in the interest of conservation.

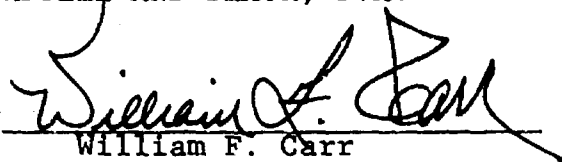
WHEREFORE applicant prays that this matter be set for hearing on May 23, 1979 before a duly appointed examiner of the Division, and that after notice and hearing as required by law the Division enter its order creating a Buffer Zone consisting of 40 acres and assigning a Special Allowable to the Johns B

Well No. 4 located thereon authorizing said well to produce at unrestricted rates and establishing such other and further provisions as may be proper in the premises.

Respectfully submitted,

CAMPBELL AND BLACK, P.A.

By

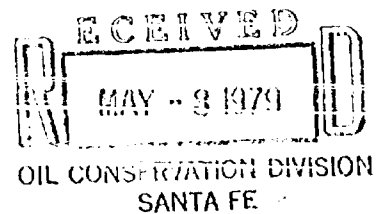


William F. Carr

Post Office Box 2208

Santa Fe, New Mexico 87501

Attorneys for American Petrofina  
Company of Texas



BEFORE THE  
OIL CONSERVATION DIVISION  
NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS

IN THE MATTER OF THE APPLICATION OF  
AMERICAN PETROFINA COMPANY OF TEXAS  
FOR THE CREATION OF A BUFFER ZONE  
WITH SPECIAL ALLOWABLES FOR WELLS  
LOCATED IN THE NE/4 SE/4 of SECTION  
26, TOWNSHIP 17 SOUTH, RANGE 32 EAST,  
NMPM, LEA COUNTY, NEW MEXICO.

CASE NO. 6547

APPLICATION

Comes now AMERICAN PETROFINA COMPANY OF TEXAS, by and through its undersigned attorneys, and applies to the New Mexico Oil Conservation Division for approval of a Buffer Zone and Special Allowables, Maljamar Field, Glorieta-San Andres Pool, Lea County, New Mexico, and in support of its application respectfully states:

(1) By Order No. R-2403 dated December 21, 1962, the New Mexico Oil Conservation Commission granted the Application of Continental Oil Company for approval of the Maljamar Cooperative Area Unit Agreement (MCA Unit), Lea County, New Mexico.

(2) As part of its operation in the MCA Unit, Continental Oil Company is injecting water into the Glorieta and San Andres formations in the Maljamar Field through each of the following wells in Township 17 South, Range 32 East, Lea County, New Mexico:

MCA Unit Well No. 141 located 1980 feet from the North line and 660 feet from the East line of Section 26.

MCA Unit Well No. 189 located 1980 feet from the South and East lines of Section 26.

MCA Unit Well No. 190 located 1980 feet from the South line and 660 feet from the West line of Section 25.



(3) That the applicant operates its Johns B Well No. 4 in Unit I of Section 26, Township 17 South, Range 32 East, Lea County, New Mexico for the production of hydrocarbons from the Glorieta and San Andres Formations, Maljamar Pool.

(4) That applicants Johns B Well No. 4 is offset to the North, East and West by the water injection wells referred to in paragraph No. 2 hereinabove.

(5) That production from the Johns B Well No. 4 showed an immediate response to the injection of water in the offsetting wells in the MCA Unit.

(6) That as a result of the water injection program in the MCA Unit, oil is being swept from applicant's lease.

(7) That applicant seeks the creation of a Buffer Zone comprised of the NE/4 of the SE/4 of Section 26, Township 17 South, Range 32 East, Lea County, New Mexico under Oil Conservation Division Rule 701 E 3 and establishment of special allowables to enable applicant to produce its said Johns B Well No. 4 at an unrestricted rate.

(8) That approval of a Buffer Zone Allowable for the Johns B Well No. 4 is imperative to protect the correlative rights of the applicant, will not impair the correlative rights of others, will result in the recovery of hydrocarbons that would otherwise be lost thereby preventing waste and will otherwise be in the interest of conservation.

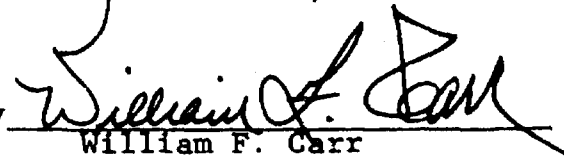
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Well No. 4 located thereon authorizing said well to produce at unrestricted rates and establishing such other and further provisions as may be proper in the premises.

Respectfully submitted,

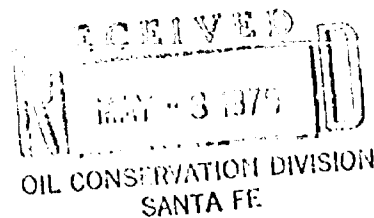
CAMPBELL AND BLACK, P.A.

By



William F. Carr

Post Office Box 2208  
Santa Fe, New Mexico 87501  
Attorneys for American Petrofina  
Company of Texas



BEFORE THE  
OIL CONSERVATION DIVISION  
NEW MEXICO DEPARTMENT OF ENERGY AND MINERALS

IN THE MATTER OF THE APPLICATION OF  
AMERICAN PETROFINA COMPANY OF TEXAS  
FOR THE CREATION OF A BUFFER ZONE  
WITH SPECIAL ALLOWABLES FOR WELLS  
LOCATED IN THE NE/4 SE/4 of SECTION  
26, TOWNSHIP 17 SOUTH, RANGE 32 EAST,  
NMPM, LEA COUNTY, NEW MEXICO.

CASE NO. 6547

APPLICATION

Comes now AMERICAN PETROFINA COMPANY OF TEXAS, by and through its undersigned attorneys, and applies to the New Mexico Oil Conservation Division for approval of a Buffer Zone and Special Allowables, Maljamar Field, Glorieta-San Andres Pool, Lea County, New Mexico, and in support of its application respectfully states:

(1) By Order No. R-2403 dated December 21, 1962, the New Mexico Oil Conservation Commission granted the Application of Continental Oil Company for approval of the Maljamar Cooperative Area Unit Agreement (MCA Unit), Lea County, New Mexico.

(2) As part of its operation in the MCA Unit, Continental Oil Company is injecting water into the Glorieta and San Andres formations in the Maljamar Field through each of the following wells in Township 17 South, Range 32 East, Lea County, New Mexico:

MCA Unit Well No. 141 located 1980 feet from the North line and 660 feet from the East line of Section 26.

MCA Unit Well No. 189 located 1980 feet from the South and East lines of Section 26.

MCA Unit Well No. 190 located 1980 feet from the South line and 660 feet from the West line of Section 25.

(3) That the applicant operates its Johns B Well No. 4 in Unit I of Section 26, Township 17 South, Range 32 East, Lea County, New Mexico for the production of hydrocarbons from the Glorieta and San Andres Formations, Maljamar Pool.

(4) That applicants Johns B Well No. 4 is offset to the North, East and West by the water injection wells referred to in paragraph No. 2 hereinabove.

(5) That production from the Johns B Well No. 4 showed an immediate response to the injection of water in the offsetting wells in the MCA Unit.

(6) That as a result of the water injection program in the MCA Unit, oil is being swept from applicant's lease.

(7) That applicant seeks the creation of a Buffer Zone comprised of the NE/4 of the SE/4 of Section 26, Township 17 South, Range 32 East, Lea County, New Mexico under Oil Conservation Division Rule 701 E 3 and establishment of special allowables to enable applicant to produce its said Johns B Well No. 4 at an unrestricted rate.

(8) That approval of a Buffer Zone Allowable for the Johns B Well No. 4 is imperative to protect the correlative rights of the applicant, will not impair the correlative rights of others, will result in the recovery of hydrocarbons that would otherwise be lost thereby preventing waste and will otherwise be in the interest of conservation.

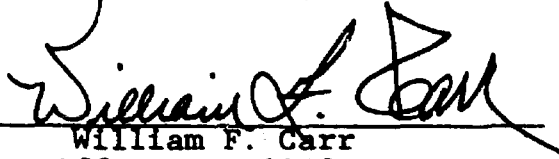
WHEREFORE applicant prays that this matter be set for hearing on May 23, 1979 before a duly appointed examiner of the Division, and that after notice and hearing as required by law the Division enter its order creating a Buffer Zone consisting of 40 acres and assigning a Special Allowable to the Johns B

Well No. 4 located thereon authorizing said well to produce at unrestricted rates and establishing such other and further provisions as may be proper in the premises.

Respectfully submitted,

CAMPBELL AND BLACK, P.A.

By

  
William F. Carr  
Post Office Box 2208  
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Attorneys for American Petrofina  
Company of Texas

DRAFT

dr/

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
DIVISION FOR THE PURPOSE OF  
CONSIDERING:

CASE NO. 6547

Order No. R- 6028

APPLICATION OF AMERICAN PETROFINA COMPANY OF TEXAS

FOR A WATERFLOOD ~~WATERFLOOD~~ BUFFER ZONE, LEA

COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on May 23,  
19 79, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this \_\_\_\_\_ day of \_\_\_\_\_, 1979, the Division  
Director, 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 Division has jurisdiction of this cause and the  
subject matter thereof.

(2) That the applicant, American Petrofina Company of Texas, seeks  
~~the designation of~~  
~~authority to create~~ a waterflood buffer zone comprising the NE/4 SE/4 of  
Section 26, Township 17 South, Range 32 East, NMPM, Maljamar  
Grayburg-San Andres Pool, Lea County, New Mexico, to enable  
applicant to produce its Johns B Well No. 4 located thereon at  
an unrestricted rate.

*Handwritten notes:*  
s/p  
Bill

*Handwritten signature:* [Signature]

*Handwritten signature:* [Signature]

*Handwritten signature:* [Signature]

(3) That the proposed buffer zone and said Johns B Well No. 4 ~~are~~ are offset to the North, East and West by San Andres injection wells in the Continental Oil Company Maljamar Cooperative Unit Waterflood Project.

(4) That if said Johns B Well No. 4 is not permitted to produce at an unrestricted rate oil ~~will~~ <sup>may</sup> be swept past the well and to the South where it may remain unrecovered.

(5) That approval of the subject application will permit the applicant the opportunity to recover its share of the oil in the Maljamar-Grayburg-San Andres Pool, thereby protecting correlative rights, and will permit the applicant to recover oil which might otherwise remain unrecovered, thereby preventing waste.

(6) That the application should be approved.

IT IS THEREFORE ORDERED:

(1) That the application <sup>tion of</sup> American Petrofina Company of Texas, ~~is hereby granted~~ <sup>for</sup> a waterflood buffer zone comprising the NE/4 SE/4 of Section 26, Township 17 South, Range 32 East, NMPM, Maljamar Grayburg-San Andres Pool, Lea County, New Mexico, <sup>is hereby approved, and said lands are hereby designated as a waterflood buffer zone.</sup>

(2) That the supervisor of the Division's district office at Hobbs is hereby authorized to grant an allowable within such buffer zone equivalent to the ability of the well, or wells, thereon, to produce.

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

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