

Entered August 1, 1958
H.P.

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. 1294
Order No. R-1053-B

APPLICATION OF AMBASSADOR OIL
CORPORATION FOR AN ORDER AMENDING
ORDER R-1053 TO APPROVE A DEVELOPMENT
PATTERN FOR THE ENTIRE WATER FLOOD
PROJECT OPERATED BY THE APPLICANT IN
THE CAPROCK-QUEEN POOL, CHAVES AND LEA
COUNTIES, NEW MEXICO, AND TO PERMIT
ADMINISTRATIVE APPROVAL FOR THE
CONVERSION OF WATER INJECTION WELLS IN
SAID PROJECT, WHICH IS WITHIN THE LIMITS
OF THE NORTH CAPROCK-QUEEN UNIT NO. 2,
AUTHORIZED BY COMMISSION ORDER R-1194.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on
July 2, 1958, at Santa Fe, New Mexico, before Daniel S. Nutter,
Examiner duly appointed by the Oil Conservation Commission of
New Mexico, hereinafter referred to as the "Commission," in
accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 28th day of July, 1958, the Commission, a
quorum being present, having considered the application, the
evidence adduced, and the recommendations of the Examiner, Daniel S.
Nutter, 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 applicant, Ambassador Oil Corporation, proposes
an ultimate pattern of development for the North Caprock Queen Unit
No. 2 water injection project consisting of 23 water injection wells
to be located on the following-described 40-acre tracts:

TOWNSHIP 13 SOUTH, RANGE 31 EAST, NMPM
Section 1: NW/4 NE/4; SE/4 NE/4; SE/4 NW/4;
NW/4 SW/4; SE/4 SW/4; NW/4 SE/4;
SE/4 SE/4
Section 2: SE/4 SE/4
Section 11: NW/4 NE/4; SE/4 NE/4; SE/4 SW/4;
NW/4 SE/4; SE/4 SE/4
Section 12: NW/4 NE/4; SE/4 NE/4; NW/4 NW/4;
SE/4 NW/4; NW/4 SW/4; SE/4 SW/4;
NW/4 SE/4; SE/4 SE/4

TOWNSHIP 13 SOUTH, RANGE 32 EAST, NMPM
Section 7: NW/4 NW/4; NW/4 SW/4

(3) That the applicant previously received authority to convert to water injection the six wells located on the following-described 40-acre tracts:

TOWNSHIP 13 SOUTH, RANGE 31 EAST, NMPM
Section 1: NW/4 SE/4; SE/4 SE/4; SE/4 SW/4;
Section 12: NW/4 NE/4; NW/4 NW/4; SE/4 NW/4;

(4) That applicant seeks an order establishing an administrative procedure for approval of the conversion of the remainder of the 23 wells to water injection as such conversion becomes necessary in order to obtain efficient operation of the water flood project without waste and to prevent reduction of ultimate recovery.

(5) That the Commission should not grant administrative approval for conversion to water injection of any of said remaining wells unless it is established to the satisfaction of the Secretary-Director that the proposed water injection well has experienced a substantial response to the water flood project or is directly offset by a producing well which has experienced such response.

(6) That an administrative procedure whereby the conversion of a well to water injection is approved within a reasonable period of time after such response has been noted will not cause waste.

(7) That the subject application should be approved in the interests of conservation.

IT IS THEREFORE ORDERED:

(1) That Ambassador Oil Corporation be and the same is hereby authorized to convert wells located on the following-described 40-acre tracts to water injection wells subject to administrative approval by the Commission:

TOWNSHIP 13 SOUTH, RANGE 31 EAST, NMPM
Section 1: NW/4 NE/4; SE/4 NE/4; SE/4 NW/4;
NW/4 SW/4;
Section 2: SE/4 SE/4
Section 11: NW/4 NE/4; SE/4 NE/4; SE/4 SW/4;
NW/4 SE/4; SE/4 SE/4
Section 12: SE/4 NE/4; NW/4 SW/4; SE/4 SW/4;
NW/4 SE/4; SE/4 SE/4

TOWNSHIP 13 SOUTH, RANGE 32 EAST, NMPM
Section 7: NW/4 NW/4; NW/4 SW/4

PROVIDED HOWEVER, That no well located on the above-described 40-acre tracts shall be eligible for administrative approval for conversion to water injection unless it is established that the proposed water injection well has experienced a substantial response to the water flood project or is directly offset by a producing well which has experienced such response.

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PROVIDED FURTHER, That to obtain administrative approval for the conversion of any well to water injection, applicant shall submit to the Commission in triplicate a request for such administrative approval, setting forth therein all the facts pertinent to the need for expansion of the water flood, and attaching thereto Commission Form C-116, showing production tests of the affected well or wells both before and after stimulation by water flood. Applicant shall also attach plats of the water flood project area and immediate surrounding area, indicating thereon the owner of each lease and the location of all water injection wells and producing wells, and shall submit evidence that a copy of the application to expand the water flood project area has been sent to each operator offsetting the proposed expansion.

The Secretary-Director of the Commission may, if in his opinion there is need for the expansion of the water flood project area, authorize said expansion without notice and hearing, provided no offset operator objects to said expansion within fifteen (15) days. The Secretary-Director may grant immediate approval of the expansion upon receipt of waivers of objection from all operators offsetting the proposed expansion.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


EDWIN L. MECHEM, Chairman


MURRAY E. MORGAN, Member


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

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