

Continental Oil Co.
C.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. 3162
Order No. R-2831

APPLICATION OF CONTINENTAL OIL
COMPANY FOR A WATERFLOOD EXPANSION
AND AN ADMINISTRATIVE PROCEDURE,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on November 24, 1964, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 7th day of December, 1964, 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, Continental Oil Company, seeks permission to expand its Cave Pool Unit Waterflood Project, authorized by Order No. R-2385, by the injection of water into the Premier Sand of the Grayburg formation through two injection wells in Sections 5 and 7, Township 17 South, Range 29 East, NMPM, Eddy County, New Mexico.

(3) That the applicant also seeks the establishment of an administrative procedure in exception to Rule 701 of the Commission Rules and Regulations whereby additional wells in the Cave Pool Unit Waterflood Project may be converted to water injection prior to receiving response from waterflood operations.

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(4) That the wells in the expanded project area are in an advanced state of depletion and should properly be classified as "stripper" wells.

(5) That the proposed expansion of the Cave Pool Unit Waterflood Project should result in the recovery of otherwise unrecoverable oil, thereby preventing waste.

(6) That the proposed expansion of the Cave Pool Unit Waterflood Project should be authorized and the expanded project should be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

(7) That all wells in the Cave Pool Unit Waterflood Project are located within the boundaries of the Cave Pool Unit Area and are operated by one operator; that an administrative procedure should therefore be established whereby additional wells in said waterflood project may be converted to water injection prior to receiving response from waterflooding operations.

IT IS THEREFORE ORDERED:

(1) That the applicant, Continental Oil Company, is hereby authorized to expand its Cave Pool Unit Waterflood Project in the Cave Pool Unit Area by the injection of water into the Premier Sand of the Grayburg formation through the following-described wells in Township 17 South, Range 29 East, NMPM, Eddy County, New Mexico:

The General American Oil Company of Texas Green "B" Well
No. 7, located in Unit L of Section 5,

The General American Oil Company of Texas Green "B" Well
No. 4, located in Unit H of Section 7.

(2) That the expanded waterflood project shall be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

(3) That monthly progress reports of the expanded waterflood project herein authorized shall be submitted to the Commission in accordance with Rules 704 and 1119 of the Commission Rules and Regulations.

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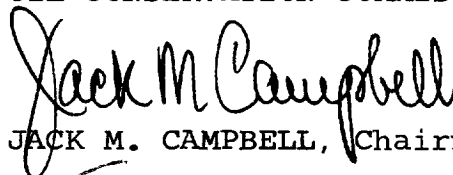
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(4) That as an exception to Rule 701 of the Commission Rules and Regulations, the Secretary-Director is hereby authorized to approve the conversion of additional wells to water injection in the Cave Pool Unit Waterflood Project when an application for such authority has been filed in accordance with the requirements of Rule 701-B of the Commission Rules and Regulations and the Secretary-Director determines that approval of the application will increase the efficiency of the waterflood project and prevent waste.

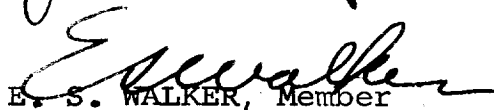
(5) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



JACK M. CAMPBELL, Chairman



E. S. WALKER, Member



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

S E A L

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