Entered Setury 3, 1966

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. 3366 Order No. R-3033

APPLICATION OF COASTAL STATES GAS PRODUCING COMPANY FOR A PILOT PRES-SURE MAINTENANCE PROJECT, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on January 26, 1966, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this <u>3rd</u> day of February, 1966, 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, Coastal States Gas Producing Company, seeks authority to institute a pilot pressure maintenance project in the Flying "M" San Andres Pool, Lea County, New Mexico, by the injection of water into the San Andres formation through three wells in Sections 15, 21, and 33, Township 9 South, Range 33 East, NMPM, Lea County, New Mexico.

(3) That the applicant also seeks the establishment of an administrative procedure for approval of additional water injection wells.

(4) That the proposed pilot pressure maintenance project is in the interest of conservation and should result in greater ultimate recovery of oil, thereby preventing waste. -2-CASE No. 3366 Order No. R-3033

(5) That the proposed pilot pressure maintenance project should be approved and an administrative procedure should be established for approval of additional water injection wells.

IT IS THEREFORE ORDERED:

(1) That the applicant, Coastal States Gas Producing Company, is hereby authorized to institute a pilot pressure maintenance project designated the Coastal States Flying "M" Pressure Maintenance Project in the Flying "M" San Andres Pool, Lea County, New Mexico, by the injection of water into the San Andres formation through the following-described wells in Township 9 South, Range 33 East, NMPM, Lea County, New Mexico:

> Southern Minerals State 15 Well No. 1, located in Unit L of Section 15;

> Southern Minerals State 21 Well No. 4, located in Unit H of Section 21; and

Gonsales Federal 33 Well No. 4, located in Unit D of Section 33.

(2) That the Secretary-Director is hereby authorized to approve additional water injection wells in the Coastal States Flying "M" Pressure Maintenance Project in accordance with the following-described administrative procedure:

> A. The project operator shall file an application in accordance with the provisions of Rule 701 B of the Commission's General Rules and Regulations.

B. The applicant shall forward a copy of the application to each operator offsetting each proposed injection well and the application shall state that such notice has been furnished.

C. The Secretary-Director may approve the application upon receipt of waivers from all offset operators or if no offset operator has objected within 15 days after the Secretary-Director has received the application. -3-CASE No. 3366 Order No. R-3033

(3) 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 HAYS, Member >Β. ace.

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

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