

*Entered July 7, 1966
A.P.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. 3411
Order No. R-3086

APPLICATION OF SEC OPERATING
FOR A WATERFLOOD PROJECT, LEA
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on June 8, 1966,
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 7th day of July, 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, SEC Operating, seeks permission to
institute a waterflood project in the Teas Pool by the injection
of water into the Yates formation through its Federal "A" Well
No. 2, located in Unit C of Section 14, Township 20 South, Range
33 East, NMPM, Lea County, New Mexico.

(3) That the applicant further seeks an administrative pro-
cedure whereby said project could be expanded to include additional
lands and injection wells in Sections 11, 13, 14, and 15, Township
20 South, Range 33 East, NMPM, Lea County, New Mexico, under
cooperative offset operating agreements or unitization agreements;
that said administrative procedure should provide for administrative

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approval for conversion to water injection in exception to the well response requirements of Rule 701 E-5 of the Commission Rules and Regulations.

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

(5) That the proposed waterflood project should result in the recovery of otherwise unrecoverable oil, thereby preventing waste.

(6) That the subject application should be approved and the project should be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations; provided, however, that the showing of well response as required by Rule 701 E-5 shall not be necessary before obtaining administrative approval for the conversion of additional wells to water injection.

IT IS THEREFORE ORDERED:

(1) That the applicant, SEC Operating, is hereby authorized to institute a waterflood project in the Teas Pool by the injection of water into the Yates formation through its Federal "A" Well No. 2, located in Unit C of Section 14, Township 20 South, Range 33 East, NMPM, Lea County, New Mexico.

(2) That the subject waterflood project is hereby designated the SEC-Teas Waterflood Project and 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 the SEC-Teas Waterflood Project to include such additional lands and injection wells in Sections 11, 13, 14, and 15, Township 20 South, Range 33 East, NMPM, Lea County, New Mexico, under cooperative offset operating agreements or unitization agreements, as may be necessary to complete an efficient water injection pattern; that the showing of well response as required by Rule 701 E-5 shall not be necessary before obtaining administrative approval for the conversion of additional wells to water injection;

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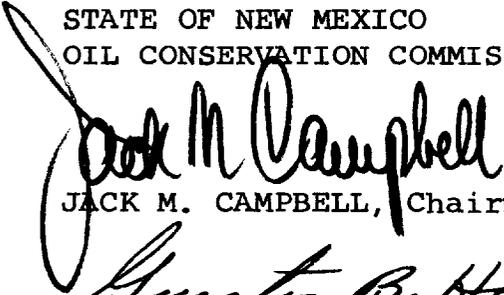
PROVIDED FURTHER, that injection shall be, and the injection well or wells shall be tested, as prescribed by the Commission.

(3) That monthly progress reports of the waterflood project 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


JACK M. CAMPBELL, Chairman


GUYTON B. HAYS, Member


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

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