

Entered December 22, 1967

A.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. 3699
Order No. R-3357

APPLICATION OF H & S OIL COMPANY
FOR A WATERFLOOD PROJECT, EDDY
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on December 20, 1967, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 22nd day of December, 1967, 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, H & S Oil Company, seeks permission to institute a waterflood project in its West Artesia Grayburg Unit Area, Artesia Pool, by the injection of water into the Grayburg formation through eight injection wells in Sections 7, 8, and 17, Township 18 South, Range 28 East, NMPM, Eddy County, New Mexico.

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

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

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(5) 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.

IT IS THEREFORE ORDERED:

(1) That the applicant, H & S Oil Company, is hereby authorized to institute a waterflood project in its West Artesia Grayburg Unit Area, Artesia Pool, by the injection of water into the Grayburg formation through the following-described wells in Township 18 South, Range 28 East, NMPM, Eddy County, New Mexico:

<u>Lease Name</u>	<u>Well No.</u>	<u>Unit</u>	<u>Section</u>
J. E. Beddingfield - Spurk	1	H	7
Cities Service - Mell	2	P	7
Tenneco - State	1	D	8
Roach and Shepard - Humble State	1	F	8
Roach and Shepard - Signal State	1	L	8
Kincaid & Watson - Signal State	1	H	8
H & S Oil Co. - Wilson State	1	J	8
Roach Drilling Co. - Leonard	1	D	17

PROVIDED HOWEVER, that the above-described J. E. Beddingfield-Spurk Well No. 1 shall not comprise any part of said waterflood project until such time as the SE/4 NE/4 of Section 7, Township 18 South, Range 28 East, NMPM, Eddy County, New Mexico, is committed to the West Artesia Grayburg Unit.

(2) That the subject waterflood project is hereby designated the H & S West Artesia Unit Waterflood Project and 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 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.

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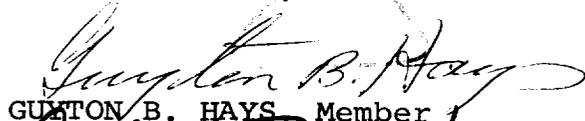
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DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


DAVID F. CARGO, Chairman


GUXTON B. HAYS, Member


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

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