Entred November 19, 1968 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. 3944 Order No. R-3571

APPLICATION OF SUN OIL COMPANY FOR A PRESSURE MAINTENANCE PROJECT, ROOSEVELT COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on November 12, 1968, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this <u>19th</u> day of November, 1968, 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, Sun Oil Company, seeks authority to institute a pressure maintenance project in the Chaveroo-San Andres Pool on its James McFarland Lease located in Section 20, Township 7 South, Range 33 East, NMPM, Roosevelt County, New Mexico, by the injection of water into the San Andres formation initially through its James McFarland Well No. 4 located in the NW/4 SW/4 of said Section 20.

(3) That the applicant further seeks the promulgation of special rules and regulations governing said project.

(4) That the proposed pressure maintenance project is in the interest of conservation and should result in greater ultimate recovery of oil, thereby preventing waste. -2-CASE No. 3944 Order No. R-3571

(5) That the application to institute a pressure maintenance project should be approved and the project should be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

(6) That there appears to be no necessity for the promulgation of special rules and regulations governing said project at this time.

IT IS THEREFORE ORDERED:

(1) That the applicant, Sun Oil Company, is hereby authorized to institute a pressure maintenance project in the Chaveroo-San Andres Pool on its James McFarland Lease, Roosevelt County, New Mexico, by the injection of water into the San Andres formation through its James McFarland Well No. 4 located in the NW/4 SW/4 of Section 20, Township 7 South, Range 33 East, NMPM, Roosevelt County, New Mexico.

(2) That said injection shall be accomplished through 2 3/8-inch cement-lined tubing installed in a packer set at approximately 4100 feet, and into the perforated interval from approximately 4174 feet to 4279 feet;

<u>PROVIDED HOWEVER</u>, that the casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge at the surface in order to detect leakage in the tubing, casing, or packer.

(3) That the subject pressure maintenance project is hereby designated the Sun Chaveroo McFarland Pressure Maintenance Project and shall be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

(4) That monthly progress reports of the pressure maintenance project herein authorized shall be submitted to the Commission in accordance with Rules 704 and 1120 of the Commission Rules and Regulations.

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

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

STATE OF NEW MEXICO OLL CONSERVATION COMMISSION Start and (A.4) . Ð DAVID F. CARGO, Chairman B-Hay > HAVG IXTON R Member PORTER, Jr., Member & Secretary

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