Entered Horeman 21,1100 aff.

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. 3934 Order No. R-3583

APPLICATION OF TEXACO INC. 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 November 12, 1968, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this <u>21st</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, Texaco Inc., is the owner and operator of the V. M. Henderson Well No. 8, located in Unit E of Section 30, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico.

(3) That by Order No. R-2146, dated December 21, 1961, the subject well was authorized as a triple completion (tubingless) for the production of oil from the Penrose-Skelly, Paddock, and Drinkard Pools; that the Drinkard completion of the subject well has reached its economic limit of production.

(4) That the Penrose-Skelly perforations are at 3638 feet to 3790 feet, the Paddock perforations are at 5174 feet to 5184 feet, and the Drinkard perforations are at 6618 feet to 6730 feet.

(5) That the applicant now seeks authority to institute a pilot waterflood project in the Drinkard Pool by the injection

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of water into the Drinkard formation through the Drinkard string of said multiply completed well in the perforated interval from 6618 feet to 6730 feet.

(6) That the applicant would continue to produce the Penrose-Skelly and Paddock zones of the subject well.

(7) That the mechanics of the proposed completion are feasible and in accord with good conservation practices.

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

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

(10) That the subject application should be approved and the proposed waterflood 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, Texaco Inc., is hereby authorized to institute a pilot waterflood project in the Drinkard Pool by the injection of water into the Drinkard formation in the perforated interval from 6618 feet to 6730 feet through the Drinkard string of its multiply completed (tubingless) V. M. Henderson Well No. 8, located in Unit E of Section 30, Township 21 South, Range 37 East, NMPM, Lea County, New Mexico.

(2) That the subject waterflood project is hereby designated the Texaco Drinkard Henderson 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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DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO OIL CONSERVATION COMMISSION ht 50 Å DAVID F. CARGO, Chairman HAYS, Member GUNTON B 7.ll ailer PORTER, Jr., Member & Secretary

SEAL

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