Enteret September 11, 1969

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. 4209 Order No. R-3842

APPLICATION OF HARVEY E. YATES COMPANY OF ARTESIA FOR SEVERAL PRESSURE MAINTENANCE PROJECTS, EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on August 27, 1969, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this <u>17th</u> day of September, 1969, 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, Harvey E. Yates Company of Artesia, filed an application seeking authority to institute two pressure maintenance projects in the McMillan (Seven Rivers-Queen) Pool, Eddy County, New Mexico, by the injection of water into the Seven Rivers and Queen formations through the following-described wells in Township 20 South, Range 27 East, NMPM, Eddy County, New Mexico:

> Page & Yates Well No. 8 - Unit M - Section 5 Page & Yates Well No. 6 - Unit P - Section 6 Page & Yates Well No. 7 - Unit J - Section 6 Lillie Yates Well No. 2 - Unit B - Section 7

(3) That at the hearing the applicant sought and was granted permission to amend the application in such a manner as to have the subject projects classified as waterflood projects.

-2-CASE No. 4209 Order No. R-3842

(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 projects are in the interest of conservation and should result in the recovery of otherwise un-recoverable oil, thereby preventing waste.

(6) That the application to institute two waterflood projects should be approved and the projects 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, Harvey E. Yates Company of Artesia, is hereby authorized to institute two waterflood projects in the McMillan (Seven Rivers-Queen) Pool, Eddy County, New Mexico, by the injection of water into the Seven Rivers and Queen formations through the following-described wells in Township 20 South, Range 27 East, NMPM, Eddy County, New Mexico:

Harvey Yates Page-Yates McMillan Waterflood Project

Page & Yates Well No. 8, located in Unit M of Section 5, injection to be accomplished through tubing installed in a packer set at approximately 775 feet, with injection into the perforated interval from approximately 791 feet to 892 feet;

Page & Yates Well No. 6, located in Unit P of Section 6, injection to be accomplished through tubing installed in a packer set at approximately 390 feet, with injection into the perforated and open-hole interval from approximately 554 feet to 784 feet; and

Page & Yates Well No. 7, located in Unit J of Section 6, injection to be accomplished through tubing installed in a packer set at approximately 680 feet, with injection into the open-hole interval from approximately 685 feet to 775 feet; -3-CASE No. 4209 Order No. R-3842

Lillie Yates Lillie McMillan Waterflood Project

Lillie Yates Well No. 2, located in Unit B of Section 7, injection to be accomplished through tubing installed in a packer set at approximately 420 feet, with injection into the perforated and open-hole interval from approximately 490 feet to 767 feet;

<u>PROVIDED HOWEVER</u>, that in said Wells Nos. 8 and 6, the casingtubing annulus shall be filled with an inert fluid; that in said Well No. 7, the annulus shall be filled with mud; and that a pressure gauge shall be attached to the annulus in each of the wells in order to determine leakage in the tubing, casing, or packer.

(2) That the subject waterflood projects 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 projects 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 CARGO, Chairman DAVID F. A RMI JO . Member Secretary-Director PORTER, Jr. L.

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