

Entered November 24, 1969

R.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. 4255
Order No. R-3881

APPLICATION OF KINCAID & WATSON DRILLING
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 November 19, 1969, at Roswell, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 24th day of November, 1969, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, 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, Kincaid & Watson Drilling Company, seeks permission to institute a waterflood project in the East Red Lake Unit Area, East Red Lake Queen-Grayburg Pool, by the injection of water into the Queen formation through four injection wells in Section 36, Township 16 South, Range 28 East and Sections 1 and 2, Township 17 South, Range 28 East, NMPM, Eddy County, New Mexico.

(3) That the applicant further seeks an administrative procedure whereby said project could be expanded to include additional injection wells in said project as may be necessary in order to complete an efficient injection pattern; that said administrative procedure should provide for administrative

-2-

CASE No. 4255

Order No. R-3881

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, Kincaid & Watson Drilling Company, is hereby authorized to institute a waterflood project in the East Red Lake Unit Area, East Red Lake Queen-Grayburg Pool, by the injection of water into the Queen formation through the following-described wells in Eddy County, New Mexico:

TOWNSHIP 16 SOUTH, RANGE 28 EAST, NMPM

Injection wells:

General Western Petroleum Corp. State Well No. 2 -
Unit L - Section 36

General Western Petroleum Corp. State Well No. 3 -
Unit N - Section 36

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM

Injection wells:

Kincaid & Watson Drilling Co. Atlantic State "A"
Well No. 1 - Unit D - Section 1

Kincaid & Watson Drilling Co. Resler & Sheldon State
Well No. 1 - Unit H - Section 2

CASE No. 4255
Order No. R-3881

(2) That the subject waterflood project is hereby designated the East Red Lake Unit 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 East Red Lake Unit Waterflood Project to include such additional injection wells in said project 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.

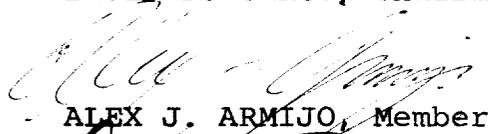
(3) That monthly progress reports of the waterflood project herein authorized shall be submitted to the Commission in accordance with Rules 704 and 1120 of the Commission Rules and Regulations.

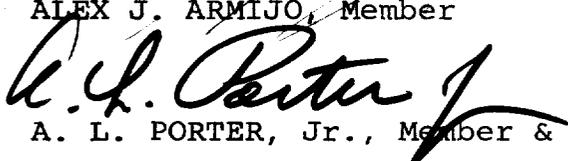
(4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

DAVID F. CARGO, Chairman


ALEX J. ARMIJO, Member


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

S E A L

esr/