Entered June 12, 1979 ACK

STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION FOR THE PURPOSE OF CONSIDERING:

> CASE NO. 6547 Order No. R-6028

APPLICATION OF AMERICAN PETROFINA COMPANY OF TEXAS FOR A WATERFLOOD BUFFER ZONE, LEA COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on May 23, 1979, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 12th day of June, 1979, the Division Director, 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 Division has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, American Petrofina Company of Texas, seeks the designation of a waterflood buffer zone comprising the NE/4 SE/4 of Section 26, Township 17 South, Range 32 East, NMPM, Maljamar Grayburg-San Andres Pool, Lea County, New Mexico, to enable applicant to produce its Johns B Well No. 4 located thereon at an unrestricted rate.

(3) That the proposed buffer zone and said Johns B Well No. 4 are offset to the North, East and West by San Andres injection wells in the Continental Oil Company Maljamar Cooperative Unit Waterflood Project.

(4) That if said Johns B Well No. 4 is not permitted to produce at an unrestricted rate oil may be swept past the well and to the South where it may remain unrecovered.

(5) That approval of the subject application will permit the applicant the opportunity to recover its share of the oil in the Maljamar Grayburg-San Andres Pool, thereby protecting

-2-Case No. 6547 Order No. R-6028

correlative rights, and will permit the applicant to recover oil which might otherwise remain unrecovered, thereby preventing waste.

(6) That the application should be approved.

IT IS THEREFORE ORDERED:

That the application of American Petrofina Company of (1)Texas for a waterflood buffer zone comprising the NE/4 SE/4 of Section 26, Township 17 South, Range 32 East, NMPM, Maljamar Grayburg-San Andres Pool, Lea County, New Mexico, is hereby approved, and said lands are hereby designated as a waterflood buffer zone.

(2) That the supervisor of the Division's district office at Hobbs is hereby authorized to grant an allowable within such buffer zone equivalent to the ability of the well, or wells, thereon, to produce.

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

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

STATE OF NEW MEXICO OIL CONSERVATION DIVISION Liniz RAMEY JOE D.

Director

SEAL

fd/