

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. 2293
Order No. R-1994

APPLICATION OF GREAT WESTERN DRILLING
COMPANY FOR APPROVAL OF THE GRAIN QUEEN
UNIT AGREEMENT, FOR PERMISSION TO INSTI-
TUTE A WATERFLOOD PROJECT THEREIN, AND
FOR SPECIAL RULES GOVERNING SAID WATER-
FLOOD PROJECT, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on May 24, 1961, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 8th day of June, 1961, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, 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, Great Western Drilling Company, seeks approval of the Grain Queen Unit Agreement, which unit embraces 200 acres of State and fee lands in Township 13 South, Range 32 East, NMPM, Lea County, New Mexico, described as follows:

Section 5: SE/4 NW/4, NE/4 SW/4 and the
S/2 SW/4

Section 8: NE/4 NW/4

(3) That the proposed unit plan will in principle tend to promote the conservation of oil and gas and the prevention of waste.

(4) That the applicant further seeks permission to institute a waterflood project in said Grain Queen Unit Area, and seeks

the promulgation of special rules governing said project, including a provision for special allowables.

(5) That due to the size and location of said unit with respect to the capacity-type waterflood project immediately West of the subject unit, all producing wells therein should be assigned a capacity allowable.

(6) That all of the producing wells in the unit have reached an advanced state of depletion and are properly classified as "stripper" wells.

IT IS THEREFORE ORDERED:

(1) That the Grain Queen Unit Agreement as proposed by the applicant, Great Western Drilling Company, is hereby approved.

(2) (a) That the unit area shall be:

NEW MEXICO PRINCIPAL MERIDIAN

TOWNSHIP 13 SOUTH, RANGE 32 EAST,
LEA COUNTY, NEW MEXICO

Section 5: SE/4 NW/4, NE/4 SW/4
and the S/2 SW/4

Section 8: NE/4 NW/4

containing 200 acres, more or less.

(b) That the unit area may be enlarged or contracted as provided in the unit agreement, provided, however, that administrative approval for expansion or contraction of the unit area must be obtained from the Secretary-Director of the Commission.

(3) That the unit operator periodically shall file with the Commission a statement of progress summarizing operations for the exploration and development of all lands committed to said unit. This statement of progress shall be filed within 30 days after the expiration of each six-months period during the term of the unit agreement.

(4) That the unit operator shall file with the Commission an executed original or executed counterpart of the unit agreement within 30 days after the effective date thereof.

(5) That any party owning rights in the unitized substances who does not commit such rights to said unit agreement before the effective date thereof may thereafter become a party thereto by subscribing to or ratifying such agreement.

(6) That this order shall become effective on June 1, 1961, or upon the approval of said unit agreement by the Commissioner of Public Lands for the State of New Mexico, whichever is later, and shall terminate ipso facto upon the termination of said unit agreement. The last unit operator shall immediately notify the Commission in writing of such termination.

(7) That the applicant is hereby authorized to institute a waterflood project in said Grain Queen Unit Area by the injection of water into the Queen formation through its State "R" Well No. 4, located in the SE/4 NW/4, and through its State "S" Well No. 4, located in the SE/4 SW/4, both in said Section 5.

(8) That the operation of the waterflood project herein authorized shall be governed by the provisions of Rule 701 of the Commission Rules and Regulations, except that all producing wells in the unit shall be assigned capacity allowables.

(9) That monthly progress reports on the subject waterflood project shall be submitted to the Commission in accordance with Rule 704 and Rule 1119 of the Commission Rules and Regulations.

(10) 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


EDWIN L. MECHEM, Chairman


E. S. WALKER, Member


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

