

BEFORE THE OIL CONSERVATION COMMISSION

1963 JUN 4 OF THE 16

STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF CONTINENTAL OIL COMPANY FOR APPROVAL OF THE EASTCAP QUEEN POOL UNIT AGREEMENT EMBRACING 1480.00 ACRES, MORE OR LESS, LOCATED IN TOWNSHIP 14 SOUTH, RANGE 31 EAST, NMPM, CHAVES COUNTY, NEW MEXICO; FOR PERMISSION TO INSTALL AND OPERATE A WATERFLOOD WITHIN THE BOUNDARIES OF SAID UNIT AREA; AND FOR PERMISSION TO PRODUCE THE UNIT WELLS INTO A CENTRAL TANK BATTERY

A P P L I C A T I O N

Comes now Applicant, Continental Oil Company, and respectfully requests approval of the Eastcap Queen Pool Unit Agreement, permission to install and operate a waterflood with- in said unit, and permission to produce the unit wells into a central tank battery. The Eastcap Queen Pool Unit Agreement embraces the following described acreage:

New Mexico Prime Meridian

Township 14 South, Range 31 East

Section 22: E/2 SE/4
Section 23: W/2 SW/4
Section 27: All
Section 34: NE/4 NW/4
 S/2 NW/4
 SW/4
 E/2
Section 35: W/2 NW/4

Containing 1480.00 acres, more or less, in Chaves County, New Mexico, and in support thereof Applicant would show:

1. That the Eastcap Queen Pool Unit Agreement is attached hereto and marked Exhibit I.
2. That application has been made to the State Land Office and approval of the Eastcap Queen Pool Unit Agreement was received on April 18, 1963.
3. That the attached lease plat marked Exhibit II shows the Eastcap Queen Pool Unit and surrounding area.

4. That production in the Eastcap Queen Pool is at an advanced stage of depletion and that recovery by primary methods is at or near the economic limit.
5. That engineering investigations indicate that waterflooding the Eastcap Queen Pool will be physically and economically feasible.
6. That agreement between the Working Interest Owners has proceeded to the extent that a logical and systematic secondary recovery operation is assured.
7. That the formation to be unitized and waterflooded is the Artesia Red sand section of the Queen formation which is specifically indicated on the radioactivity logs of the Continental Oil Company State R-34 No. 1 and No. 2 wells attached hereto and marked Exhibit IIIa and IIIb, respectively.
8. That all proposed injection wells are or will be completed in such a manner that injected water will be confined to the Artesia Red sand. The present status of all proposed injection wells is shown on the tabulation of injection well data attached hereto and marked Exhibit IV.
9. That applicant proposes to inject a total of approximately 2,900 barrels of water per day into the 17 proposed injection wells on an 80-acre five-spot pattern. Said water will be obtained from a water well located in the NW/4 of SE/4 of Section 25, T-14S, R-31E, Chaves County, New Mexico under provisions of Permit No. L-3615, Water Lease No. W-130, originally issued to Union Oil Company Of California.

10. That the said waterflood will be installed and operated in conformance with Rule 701E.
11. That the producing operations can be carried on more efficiently if all Unit wells are produced into a central tank battery, which will be served by automatic custody transfer equipment.
12. That the proposed unitization and secondary recovery will result in the recovery of hydrocarbons which would not be recovered by primary methods and is therefore in the interest of conservation and prevention of waste.

Wherefore, Applicant respectfully requests that this matter be set for hearing before the Commission's duly qualified Examiner and that upon hearing an order be entered approving the Eastcap Queen Unit Agreement, granting permission to install and operate a waterflood within the Unit Area and permitting the production of the Unit wells into a central tank battery as described herein above.

Respectfully Submitted,


A. B. SLAYBOUGH
Division Superintendent
of Production
New Mexico Division