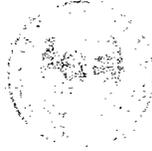


GOVERNOR
EDWIN L. MECHEM
CHAIRMAN

State of New Mexico
Oil Conservation Commission



STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

LAND COMMISSIONER
E. S. JOHNNY WALKER
MEMBER

P. O. BOX 871
SANTA FE

Mr. Bill Kastler
Mr. M. I. Taylor
Gulf Oil Corporation
Post Office Box 1938
Roswell, New Mexico

, 19

Gentlemen:

Enclosed herewith is Commission Order No. R- 2657, entered in Case No. 2982, approving the Northwest Section of the Water Flood Project.

According to our calculations, when all of the authorized injection wells have been placed on active injection, the maximum allowable which this project will be eligible to receive under the provisions of Rule 701-E-3 is 1576 barrels per day.

Please report any error in this calculated maximum allowable immediately, both to the Santa Fe office of the Commission and the appropriate District proration office.

In order that the allowable assigned to the project may be kept current, and in order that the operator may fully benefit from the allowable provisions of Rule 701, it behooves him to promptly notify both of the aforementioned Commission offices by letter of any change in the status of wells in the project area, i.e., when active injection commences, when additional injection or producing wells are drilled, when additional wells are acquired through purchase or unitization, when wells have received a response to water injection, etc.

Your cooperation in keeping the Commission so informed as to the status of the project and the wells therein will be appreciated.

Very truly yours,

cc: Mr. Frank Irby

A. L. PORTER, Jr.
Secretary-Director

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

March 5, 1964

**Mr. Bill Kastler
Mr. M. I. Taylor
Gulf Oil Corporation
Post Office Box 1938
Roswell, New Mexico**

Gentlemen:

Enclosed herewith is Commission Order No. R-2659, entered in Case No. 2982, approving the Northwest Eumont Unit Waterflood Project.

According to our calculations, when all of the authorized injection wells have been placed on active injection, the maximum allowable which this project will be eligible to receive under the provisions of Rule 701-E-3 is 1596 barrels per day.

Please report any error in this calculated maximum allowable immediately, both to the Santa Fe Office of the Commission and the appropriate district proration office.

In order that the allowable assigned to the project may be kept current, and in order that the operator may fully benefit from the allowable provisions of Rule 701, it behooves him to promptly notify both of the aforementioned Commission offices by letter of any change in the status of wells in the project area, i.e., when active injection commences, when additional injection or producing wells are drilled, when additional wells are acquired through purchase or unitization, when wells have received a response to water injection, etc.

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OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

-2-

Mr. Bill Kastler
Mr. M. I. Taylor
Gulf Oil Corporation
Roswell, New Mexico

March 5, 1964

Your cooperation in keeping the Commission so informed as to the status of the project and the wells therein will be appreciated.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/DSN/ir

cc: Oil Conservation Commission - Hobbs, New Mexico
Mr. Frank Irby - State Engineer Office, Santa Fe, N.M.

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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. 2982
Order No. R-2659

APPLICATION OF GULF OIL CORPORATION
FOR A WATERFLOOD 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 February 5, 1964, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 4th day of March, 1964, 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, Gulf Oil Corporation, seeks authority to institute a waterflood project in its Northwest Eumont Area in the Eumont Pool by the injection of water into the Queen formation through 15 wells in Sections 11, 14, 15, 22, and 23, Township 19 South, Range 36 East, NMPM, Lea County, New Mexico.

(3) That the wells in the project area are in an advanced state of depletion and should properly be classified as "stripper" wells.

(4) That the proposed waterflood project is in the interest of conservation and should result in recovery of otherwise unrecoverable oil, thereby preventing waste.

(5) That the subject application should be approved and the project should be governed by the provisions of Rule 701 of the Commission Rules and Regulations.

IT IS THEREFORE ORDERED:

(1) That the applicant, Gulf Oil Corporation, is hereby authorized to institute a waterflood project in its Northwest

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CASE No. 2982
Order No. R-2659

Eumont Unit Area, Eumont Pool, by the injection of water into the Queen formation through the following-described wells in Township 19 South, Range 36 East, NMPM, Lea County, New Mexico:

SECTION 11

Gulf Lea State D-A Well No. 7, Unit I
Gulf Lea State D-A Well No. 8, Unit O

SECTION 14

Gulf Lea State D-A Well No. 5, Unit A
Gulf Lea State D-A Well No. 9, Unit C
Gulf Lea State D-A Well No. 10, Unit E
Gulf Lea State D-A Well No. 2, Unit G
Phillips Bern State Well No. 2, Unit K
Phillips Bern State Well No. 6, Unit M

SECTION 15

Amerada State WMD Well No. 2, Unit I

SECTION 22

Texaco State "C" (NCT-5) Well No. 2, Unit A
Texaco State "C" (NCT-5) Well No. 4, Unit G
Texaco State "C" (NCT-5) Well No. 6, Unit K
Amerada WMC Well No. 1, Unit I
Shell State "R" Well No. 2, Unit O

SECTION 23

Southern Petroleum Exploration State Well
No. 1, Unit E

(2) That the subject waterflood project shall be governed by the provisions of Rule 701 of the Commission Rules and Regulations, including the allowable provisions thereof, and including the provisions with respect to expansion of the waterflood project.

(3) That monthly progress reports of the waterflood project herein authorized shall be submitted to the Commission in accordance with Rules 704 and 1119 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.

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CASE No. 2982

Order No. R-2659

DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

Jack M Campbell

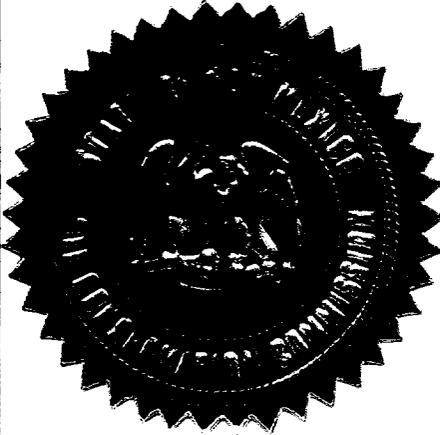
JACK M. CAMPBELL, Chairman

E. S. Walker

E. S. WALKER, Member

A. L. Porter, Jr.

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



esr/