

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

November 25, 1969

Mr. Clarence Hinkle
Hinkle, Bondurant & Christy
Attorneys at Law
Post Office Box 10
Roswell, New Mexico 88201

Dear Sir:

Reference is made to Commission Order No. R-3881, recently entered in Case No. 4255, approving the Kincaid & Watson East Red Lake Unit Waterflood Project.

Initial injection shall be through the four authorized water injection wells, each of which shall be equipped with a string of plastic-coated tubing set in a packer. Packers shall be located as close as practicable to the uppermost perforation. The casing-tubing annulus of each injection well shall be loaded with an inert fluid and shall be equipped with a pressure gauge at the surface.

As to allowable, our calculations indicate that 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 546 barrels per day when the Southeast New Mexico normal unit allowable is 42 barrels per day or less.

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

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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,

A. L. PORTER, Jr.
Secretary-Director

ALP/DSN/esr

cc: Oil Conservation Commission
P. O. Box 1980
Hobbs, New Mexico 88240

Oil Conservation Commission
Drawer DD
Artesia, New Mexico 88210

Mr. D. E. Gray
State Engineer Office
Santa Fe, New Mexico 87501

