

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. 4486
Order No. R-3862-A

APPLICATION OF CONTINENTAL OIL COMPANY
FOR A WATERFLOOD EXPANSION, A DUAL COM-
PLETION, AND LEASE COMMINGLING, LEA
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on February 3, 1971, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 10th day of February, 1971, 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, Continental Oil Company, is the operator and co-owner of the Jack A-29 and Jack B-29 Leases in Section 29, Township 24 South, Range 37 East, NMPM, Lea County, New Mexico.

(3) That the aforesaid Jack A-29 Lease comprises the NW/4 NE/4, S/2 NE/4, N/2 SE/4, and SW/4 SE/4 of said Section 29 and the aforesaid Jack B-29 Lease comprises the SE/4 SE/4 of said Section 29.

(4) That Order No. R-3862, dated October 28, 1969, authorized the applicant to institute a waterflood project on said

-2-

CASE No. 4486

Order No. R-3862-A

Jack A-29 Lease by the injection of water into the Seven Rivers-Queen formations, Langlie-Mattix Pool, through two wells located in Units I and O of said Section 29.

(5) That the applicant seeks the expansion of said Jack A-29 Waterflood Project area to include all of the acreage in said Jack A-29 and Jack B-29 Leases as described above.

(6) That the applicant proposes to drill and dually complete a well in the SW/4 NE/4 of said Section 29 in such a manner as to produce gas from the Jalmat Gas Pool and to produce oil from the Langlie-Mattix Pool or inject water into the Langlie-Mattix Pool as an additional injection well for said waterflood project.

(7) That the applicant further seeks authority to commingle the Langlie-Mattix production from its Jack A-29 and Jack B-29 Leases and to allocate production to the Jack B-29 lease by the subtraction method after separately metering the production from the Jack A-29 Lease.

(8) That the applicant's Jack A-29 Well No. 5, located in the NW/4 NE/4 of said Section 29 has experienced a substantial response to water injection and the subject waterflood project area should, therefore, be expanded to include said quarter-quarter section.

(9) That the SE/4 SE/4 of said Section 29 is offset by two injection wells on the Jack A-29 Lease.

(10) That the subject waterflood project area should be expanded to include the above-described SE/4 SE/4 of Section 29, provided that said Jack A-29 and Jack B-29 Leases are unitized or otherwise consolidated, or provided all persons owning working interests and/or royalty interests within said lease areas have so agreed and evidence of such unitization, consolidation, or agreement has been furnished to the Santa Fe office of the Commission.

(11) That the applicant should be authorized to expand the above-described waterflood project area by the drilling of an additional well at an orthodox location in the SW/4 NE/4 of said Section 29 and to dually complete said well in such a manner as to produce gas from the Jalmat Gas Pool and inject water into the Langlie-Mattix Pool through parallel strings of tubing.

(12) That the applicant should be authorized to commingle the Langlie-Mattix production from said Jack A-29 and Jack B-29

-3-

CASE No. 4486

Order No. R-3862-A

Leases in a common tank battery and to allocate the production to the Jack B-29 Lease by the subtraction method after separately metering the production from the Jack A-29 Lease.

(13) That approval of the above will prevent waste and will not violate correlative rights.

(14) That Administrative Order CTB-214 should be superseded.

IT IS THEREFORE ORDERED:

(1) That the applicant, Continental Oil Company, is hereby authorized to expand its Langlie-Mattix Jack A-29 Waterflood Project by the drilling and dual completion of a well at an orthodox location in the SW/4 NE/4 of Section 29, Township 24 South, Range 37 East, NMPM, Lea County, New Mexico, in such a manner as to produce gas from the Jalmat Gas Pool and to produce oil from the Langlie-Mattix Pool or to inject water into the Langlie-Mattix Pool through parallel strings of tubing, with said zones being separated by a packer.

(2) That the Continental Langlie-Mattix Jack A-29 Waterflood Project area is hereby expanded to include the NW/4 NE/4 of said Section 29.

(3) That, effective upon the date the applicant furnishes the Santa Fe office of the Commission satisfactory evidence that its Jack A-29 and Jack B-29 Leases have been unitized or otherwise consolidated, or all persons owning working interests and/or royalty interests within said lease areas have so agreed, the Continental Langlie-Mattix Jack A-29 Waterflood Project area is hereby expanded to include the SE/4 SE/4 of said Section 29.

(4) That the applicant is hereby authorized to commingle the Langlie-Mattix production from its Jack A-29 Lease and its Jack B-29 Lease, as said leases are described in Finding No. 3, above, in a common tank battery and to allocate the production to said Jack B-29 Lease by the subtraction method after separately metering the production from the Jack A-29 Lease.

(5) That Administrative Order CTB-214 is hereby superseded.

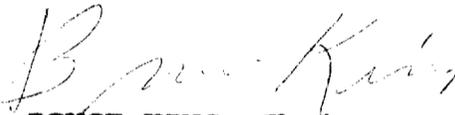
-4-

CASE No. 4486
Order No. R-3862-A

(6) 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


BRUCE KING, Chairman


ALEX J. ARMIJO, Member


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



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