

MAIN OFFICE  
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BEFORE THE OIL CONSERVATION COMMISSION

OF THE

STATE OF NEW MEXICO

*Case 3463*

IN THE MATTER OF THE APPLICATION OF CONTINENTAL OIL COMPANY FOR APPROVAL OF THE REED-SANDERSON UNIT AGREEMENT EMBRACING 1040.83 ACRES, MORE OR LESS, LOCATED IN SECTIONS 3, 4, 9, AND 10, TOWNSHIP 20 SOUTH, RANGE 36 EAST, NMPM, LEA COUNTY, NEW MEXICO, AND FOR PERMISSION TO INSTALL AND OPERATE A WATER-FLOOD WITHIN THE BOUNDARIES OF SAID UNIT AREA

A P P L I C A T I O N

Comes now Applicant, Continental Oil Company, and respectfully requests approval of the Reed-Sanderson Unit Agreement embracing 1040.83 acres, more or less, described as:

W/2 and W/2 E/2 Section 3,  
E/2 E/2 Section 4,  
E/2 NE/4 Section 9,  
NW/4, W/2 NE/4, NE/4 SW/4  
and NW/4 SE/4 Section 10,  
Township 20S, Range 36E,  
Lea County, New Mexico

and for permission to install and operate a waterflood within said unit, and in support thereof Applicant would show:

1. That the Reed-Sanderson Unit Agreement is attached hereto and marked Exhibit 1.
2. That designation of Unit Area and preliminary approval of the Unit Agreement by the U.S. Geological Survey was given April 29, 1966.
3. That the attached lease plat marked Exhibit 2 shows the Reed-Sanderson Unit and surrounding area.
4. That production in the Unit Area 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 Reed-Sanderson Unit Area 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 Queen formation which is specifically indicated on the radioactivity log of the Continental Oil Company Reed A-3 No. 15 well attached hereto and marked Exhibit 3.
8. That all proposed injection wells are or will be completed in such a manner that injected water will be confined to the unitized formation. The present status of all proposed injection wells is shown on the tabulation of injection well data attached hereto and marked Exhibit 4, and on the schematic diagrams attached hereto and marked Exhibits 4-1 through 4-13.
9. That applicant proposes to inject a total of approximately 5,000 barrels of water per day into the 13 proposed injection wells on an 80-acre five-spot pattern. Said water will be obtained from the Eunice-Monument-Eumont Salt Water Disposal system.
10. That the said waterflood will be installed and operated in conformance with Rule 701E.
11. 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 Reed-Sanderson Unit Agreement, and granting permission to install and operate a waterflood within the Unit Area as described herein above.

Respectfully submitted,

*L. P. Thompson*  
per L. P. THOMPSON  
District Manager  
Hobbs District

LPT-JS