

INTRODUCTION

The proposed Arrowhead Grayburg Secondary Recovery Unit in Lea County, New Mexico, is approximately three miles west of the Town of Eunice, and is twenty miles southwest of the City of Hobbs. The unit area covers 5,922.26 acres in Townships 21 and 22 South, Ranges 36 and 37 East, New Mexico Principal Meridian, and includes all or portions of 14 sections of land. This proposed unit is located one mile southeast of the Eunice Monument South Unit which was formed in 1985.

The field was discovered May 24, 1938 with the completion of the Continental #1 State "J-2" well in Section 2, Township 22 South, Range 36 East, N.M.P.M., Lea County, New Mexico. The oil field was developed on 40-acre spacing with the majority of wells being drilled and completed during the late 1930's and early 1940's. Peak oil production from the collective wells occurred in March of 1944 when the monthly production was 170,000 barrels of oil, or 5,500 barrels per day.

After peak production was reached in 1944, oil production within the proposed unit area has steadily declined. Nine companies have drilled and completed 138 oil wells, but because of production decline, only 56 oil wells are currently active. The remaining wells have been temporarily abandoned, plugged, or recompleted in other zones. The oil production is now approximately 17,450 barrels of oil per month, or 10% of the peak (1944) monthly production.

