

Case Number.

4/58

Application

Transcripts.

Small Exhibits

ETC.

July 8, 1969

**Mr. Booker Kelly
White, Gilbert, Koch & Kelly
Attorneys at Law
Post Office Box 787
Santa Fe, New Mexico**

Re: Case No. 4158
Order No. R-3786
Applicant:
Texaco Inc.

Dear Sir:

Enclosed herewith is a copy of the above-referenced Commission order recently entered in the subject case. Letter pertaining to conditions of approval and maximum allowable to follow.

Very truly yours,

Very truly yours,
A. L. Porter, Jr.
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC x
 Artesia OCC
 Aztec OCC
 State Engineer x

Other _____

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. 4158
Order No. R-3786

APPLICATION OF TEXACO INC.
FOR A WATERFLOOD PROJECT,
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on June 25, 1969,
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 7th day of July, 1969, 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, Texaco Inc., seeks permission to
institute a waterflood project in the Eunice-Monument Unit Area,
Eunice-Monument (Grayburg-San Andres) Pools, by the injection of
water into the Grayburg and San Andres formations through 18
injection wells in Section 24, Township 20 South, Range 36 East,
and in Sections 19, 20, 21, 29, and 30, Township 20 South, Range
37 East, NMPM, Lea County, New Mexico.

(3) That the applicant further seeks an administrative
procedure whereby said project could be expanded to include
additional lands and injection wells in the area of the said
project as may be necessary in order to complete an efficient
injection pattern; that said administrative procedure should
provide for administrative approval for conversion to water

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CASE No. 4158
Order No. R-3786

injection in exception to the well response requirements of Rule 701 E-5 of the Commission Rules and Regulations.

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

(5) That the proposed waterflood project should result in the recovery of otherwise unrecoverable oil, thereby preventing waste.

(6) That the subject application should be approved and the project should be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations; provided, however, that the showing of well response as required by Rule 701 E-5 shall not be necessary before obtaining administrative approval for the conversion of additional wells to water injection.

IT IS THEREFORE ORDERED:

(1) That the applicant, Texaco Inc., is hereby authorized to institute a waterflood project in the Eunice-Monument Unit Area, Eunice-Monument (Grayburg-San Andres) Pools, by the injection of water into the Grayburg and San Andres formations through the following-described wells in Lea County, New Mexico:

TOWNSHIP 20 SOUTH, RANGE 36 EAST, NMPM

Atlantic Richfield W. W. White Well No. 2, Unit I, Section 24

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM

Texaco Inc. New Mexico "C" State (NCT-2) Well No. 5, Unit A,
Section 19

Texaco Inc. New Mexico "C" State (NCT-2) Well No. 7, Unit G,
Section 19

Texaco Inc. New Mexico "H" State (NCT-3) Well No. 18, Unit C,
Section 19

Texaco Inc. New Mexico "H" State (NCT-3) Well No. 14, Unit E,
Section 19

Texaco Inc. New Mexico "H" State (NCT-4) Well No. 21, Unit K,
Section 19

Texaco Inc. New Mexico "H" State (NCT-4) Well No. 9, Unit M,
Section 19

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CASE No. 4158
Order No. R-3786

TOWNSHIP 20 SOUTH. RANGE 37 EAST. NMPM - CONTINUED

Gulf Oil Corporation R. A. Butler Well No. 1, Unit O, Section 19
Texaco Inc. New Mexico "H" State (NCT-2) Well No. 3, Unit A, Section 20
Texaco Inc. New Mexico "H" State (NCT-2) Well No. 15, Unit G, Section 20
Texaco Inc. New Mexico "H" State (NCT-2) Well No. 7, Unit C, Section 20
Texaco Inc. New Mexico "H" State (NCT-2) Well No. 22, Unit E, Section 20
Texaco Inc. New Mexico "H" State (NCT-2) Well No. 16, Unit K, Section 20
Texaco Inc. New Mexico "H" State (NCT-2) Well No. 13, Unit M, Section 20
Atlantic Richfield W. C. Roach Well No. 2, Unit C, Section 21
Atlantic Richfield W. C. Roach Well No. 3, Unit E, Section 21
Sun Oil Co. DX Division A. B. Reeves Well No. 3, Unit C, Section 29
Phillips Petroleum Company Mexico State Well No. 1, Unit A, Section 30

(2) That the subject waterflood project is hereby designated the Texaco Eunice-Monument Unit Waterflood Project and shall be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations;

PROVIDED HOWEVER, that the Secretary-Director of the Commission may approve expansion of the Texaco Eunice-Monument Unit Waterflood Project to include such additional lands and injection wells in the area of said project as may be necessary to complete an efficient water injection pattern; that the showing of well response as required by Rule 701 E-5 shall not be necessary before obtaining administrative approval for the conversion of additional wells to water injection.

(3) That monthly progress reports of the waterflood project herein authorized shall be submitted to the Commission in accordance with Rules 704 and 1120 of the Commission Rules and Regulations.

(4) That Order No. R-3398 which previously authorized one water injection well in the subject area is hereby superseded.

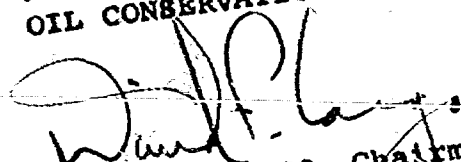
-4-

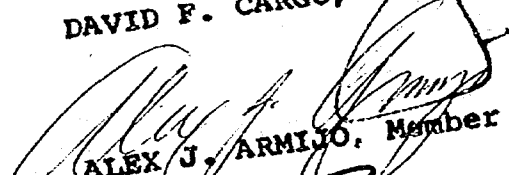
CASE NO. 4158
Order No. R-3786

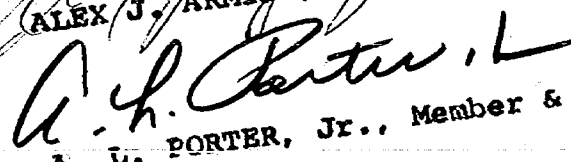
(5) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

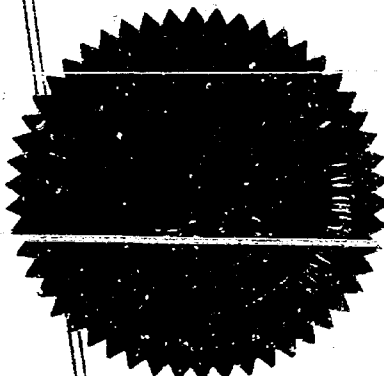
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


DAVID F. CARGO, Chairman


ALEX J. ARMILLO, Member


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



esr/

Case 4158

Heard 6-25-69

Rec. 6-25-69.

Grant Sepaco's request
for the Femic Monument -
Grayland S.A. cement waterflow
flood will be in. Grby &
upper 100' of S.A.
aperture, & injection
holes as listed on the
attached sheet.

Order R-3378 should be
revised as of date new order
is effective.

All holes shall be tubed with
int. coated plastic tubing,
w/ packer & injected as above
& charge at surface annulus.
All Admin. Process for
changes in future injection
wells.

Thurs. 6/25/69

Docket No. 18-69

DOCKET: EXAMINER HEARING - WEDNESDAY - JUNE 25, 1969

9 A. M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Elvis A. Utz, Examiner, or Daniel S. Nutter, Alternate Examiner:

CASE 4151: Application of Northern Natural Gas Company for the suspension of certain provisions of Rules 14 (A) and 15 (A) of Order No. R-1670, as amended, of the General Rules and Regulations for the prorated gas pools of Southeastern New Mexico. Applicant, in the above-styled cause, seeks suspension, for a period of one year from July 1, 1969, of those provisions of Rules 14 (A) and 15 (A) of the General Rules and Regulations for the prorated gas pools of Southeastern New Mexico promulgated by Order No. R-1670, as amended, that provide, respectively, for the cancellation of unproduced allowable and the shutting-in of over-produced wells. Applicant seeks said suspension for the Blinebry, Eumont, Jalmat, Monument-McKee, and Tubb Gas Pools.

CASE 4152: Application of Anadarko Production Company for an amendment of Order No. R-3628, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-3628, which authorized the institution of a waterflood project in the Loco Hills Sand Unit Area, Loco Hills Pool, by the injection of water through certain wells located in Township 18 South, Range 29 East, Eddy County, New Mexico. Applicant seeks to delete 3 injection wells located or to be located in Section 4 of said Township and Range and to substitute in lieu thereof the following 3 wells in said Section 4;

A well to be drilled 2460 feet from the North line and 180 feet from the East line;

A well to be drilled 1980 feet from the South and West lines;

A well to be drilled 10 feet from the South line and 1650 feet from the West line.

Applicant further seeks a procedure whereby other injection wells may be substituted administratively for those previously authorized in order to have an efficient injection pattern.

CASE 4141: (Readvertised)
Application of McCasland Disposal System for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water to the

Seven Rivers formation in the intervals from approximately 3756 feet to 3851 feet and from approximately 3918 feet to 3939 feet, respectively, in the Getty Oil Company J. H. Day Wells Nos. 1 and 2, both located in the NW/4 of Section 6, Township 22 South, Range 36 East, Jalmat Field, Lea County, New Mexico.

CASE 4153:

Application of Amerada Petroleum Corporation for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Wolfcamp and Pennsylvanian formations in the interval from approximately 9508 feet to 10,000 feet in its L. W. Ward Well No. 5 located in Unit J of Section 11, Township 13 South, Range 38 East, Bronco-Wolfcamp Pool, Lea County, New Mexico.

CASE 4107:

(Continued from the April 23, 1969 Examiner Hearing)
Application of Coastal States Gas Producing Company for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the West Sawyer-San Andres Pool, Lea County, New Mexico, including a provision for 80-acre spacing and proration units.

CASE 4144:

(Continued from the June 4, 1969, Examiner Hearing)
Application of Sam G. Dunn Oil Operations for salt water disposal, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the San Andres formation in the perforated interval from approximately 1910 feet to 1950 feet in its E. Faircloth "C" Well No. 1 located in Unit N of Section 32, Township 7 South, Range 27 East, Acme-San Andres Pool, Chaves County, New Mexico.

CASE 4154:

Application of Pan American Petroleum Corporation for a pool creation and discovery allowable, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Blinbry oil pool for its State "C" Tract 11 Well No. 3 located in the NW/4 SE/4 of Section 2, Township 21 South, Range 36 East, Lea County, New Mexico, and for the assignment of an oil discovery allowable in the amount of approximately 28,510 barrels to said well.

CASE 4155:

Application of Pan American Petroleum Corporation for an exception to Order No. R-3221, as amended, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221, as amended, which order prohibits the disposal of water produced in conjunction with the production of oil on the surface of the ground in Lea, Eddy, Chaves and Roosevelt Counties, New Mexico, after January 1, 1969. Said

(Case 4155 continued)

exception would be for the applicant's wells located in Sections 28 and 33, Township 19 South, Range 32 East, Lusk Field, Lea County, New Mexico. Applicant seeks authority to dispose of salt water produced by said wells in unlined surface pits in said sections.

CASE 4156:

Application of Jack L. McClellan for an exception to Order No. R-3221, as amended, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221, as amended, which order prohibits the disposal of water produced in conjunction with the production of oil or gas or both, on the surface of the ground in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico, after January 1, 1969. Said exception would be for applicant's wells located in the SE/4 and NE/4, respectively, of Section 13 and 24, Township 15 South, Range 29 East, Sulimar-Queen Pool, Chaves County, New Mexico. Applicant, seeks authority to dispose of salt water produced by said wells in unlined surface pits located in said quarter sections.

CASE 4157:

Application of Texaco Inc. for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Eunice-Monument Unit Area comprising 1516 acres, more or less, of State and fee lands in Township 20 South, Ranges 36 and 37 East, Lea County, New Mexico.

CASE 4158:

Application of Texaco Inc. for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in its Eunice-Monument Unit Area by the injection of water into the Grayburg and San Andres formations through 18 wells located in Section 24, Township 20 South, Range 36 East, and in Sections 19, 20, 21, 23 and 30, Township 20 South, Range 37 East, Eunice-Monument (Grayburg-San Andres) Pools, Lea County, New Mexico.

CASE 4159:

Application of Southwestern Natural Gas Company, Inc. for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill at an unorthodox oil well location 2310 feet from the North line and 1980 feet from the West line of Section 27, Township 15 South, Range 32 East, North Anderson Ranch-Wolfcamp Pool, Lea County, New Mexico.

DRAFT

GMH/esr

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. 4158

Order No. R- 3786

APPLICATION OF TEXACO INC.
FOR A WATERFLOOD PROJECT, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on June 25, 1969,
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this July day of July, 1969, 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, Texaco Inc.,
seeks permission to institute a waterflood project in the Eunice-Monument
Eunice-Monument Unit Area, (Grayburg-San Andres) Pools, by
the injection of water into the Grayburg and San Andres formations
through 18 injection wells in Section 24, Township 20 South,
Range 36 East, and in Sections 19, 20, 21, 29, and 30,
Township 20 ~~South~~ South, Range 37 ~~East~~ East, NMPM,
Lea County, New Mexico,

(3) That the applicant further seeks an administrative
procedure whereby said project could be expanded to include
additional lands and injection wells in the area of the said
project as may be necessary in order to complete an efficient
injection pattern; that said administrative procedure should
provide for administrative approval for conversion to water
injection in exception to the well response requirements of
Rule 701 E-5 of the Commission Rules and Regulations. (SEE UNDER)
waste.

Ex Hearing - June 25, 1969

Case

Newspaper

Application of Texaco, Inc., for a unit agreement, Lea County, New Mexico.

~~Applicant, in the above styled case, seeks approval of the Eocene Monument Unit Area comprising ~~the~~ ~~Federal~~ ~~and state~~ lands in Townships 20 South, Range 36 and 37 East, Eocene Monument (Range XXXX for (index) Township 20 South, Range 36 East, N.M.P.M.~~

Atlantic Richfield W.W. White Well No. 2, Unit 1, Section 24
Township 20 South, Range 37 East, N.M.P.M.

2 Texaco, Inc. New Mexico ~~State~~ "C" State (NCT-2) Well No. 5, Unit A, Section 19

3 Texaco, Inc. New Mexico "C" State (NCT-2) Well No. 7, Unit G, Section 19

4 Texaco, Inc. New Mexico "H" State (NCT-3) Well No. 18, Unit C, Section 19

5 Texaco, Inc. New Mexico "H" State (NCT-3) Well No. 14, Unit E, Section 19

6 Texaco, Inc. New Mexico "H" State (NCT-4) Well No. 21, Unit H, Section 19

7 Texaco, Inc. New Mexico "H" State (NCT-4) Well No. 9, Unit M, Section 19

8 Gulf Oil Corporation R.A. Butler Well No. 1, Unit C, Section 19

9 Texaco, Inc. New Mexico "H" State (NCT-2) Well No. 3, Unit A, Section 20

10 Texaco, Inc. New Mexico "H" State (NCT-2) Well No. 15, Unit G, Section 20

11 Texaco, Inc. New Mexico "H" State (NCT-2) Well No. 7, Unit C, Section 20

12 Texaco, Inc. New Mexico "H" State (NCT-2) Well No. 22, Unit E, Section 20

13 ~~Texaco, Inc. New Mexico "H" State (NCT-2) Well No. 15, Unit~~

14 Texaco, Inc. New Mexico "H" State (NCT-2) Well No. 16, Unit K, Section 20

15 Atlantic Richfield W.C. Roach Well No. 13, Unit M, Section 20

16 Atlantic Richfield W.C. Roach Well No. 2, Unit C, Section 21

17 Sun Oil Co. DX Division A.B. Reeves Well No. 3, Unit E, Section 21

18 Phillips Petroleum Company Mexico Well No. 3, Unit C, Section 21

Bill Henson - Hobbs - Texas -

Unit & Waterford -

Texas -

- Eunice Monument agree, Lee ~~St~~
→ Mon. May. San Andres
Eunice ~~St~~ San Andres

state ^{reg} fed ², ² per ^P ^P
Section 19, 20, 21, 30, 31, ~~22~~

T 20 S

R 37 E

Sec. 24 ² T 20 S R 36 E
for, for

~~18~~ [18] irrig wells -

ROUGH DRAFT FOR WATERFLOOD LETTERS

Mr. Booker Kelly
White, Gilbert, Koch & Kelly
Attorneys at Law
Post Office Box 787
Santa Fe, New Mexico
Dear Sir:

Commission Order No. R-3786, entered in Case No. 4158, approving the Texaco Eunice Monument Unit Waterflood Project.

Injection is to be through the one previously authorized ~~water~~ water injection well and the 17 newly authorized injection wells.

Injection into each well shall be down internally plastic-coated tubing which shall be set in a packer located within 100 feet of the uppermost perforation, or in the case of an open-hole completion, within 100 feet of the casing shoe. The casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge at the surface to facilitate detection of leakage in the casing, tubing, or packer.
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 1554 barrels per day when the Southeast New Mexico normal unit allowable is 42 barrels per day or less. *Should a well be completed for production or injection in Unit I of Section 19,*
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,

A. L. PORTER, Jr.
Secretary-Director

cc: OCC: Hobbs X
Artesia
Aztec

USGS

Mr. Frank Irby, State Engineer Office, Santa Fe, New Mexico

Mr. D. E. Gray

*this maximum would of course be raised
to 1596 barrels.*

CASE 4159: Application of SOUTH-
WESTERN NATURAL GAS CO., INC. FOR
AN UNORTHODOX OIL WELL LOCATION.