

Case Number
4250

Application

Transcripts

Small Exhibits

ETC.

dearnley-meier

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

1120 SIMMS BLDG. • P. O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO



BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
November 5, 1969

EXAMINER HEARING

IN THE MATTER OF:

Application of McCrary &
Franklin for waterflood project,
Eddy County, New Mexico

Case No. 4250

BEFORE: Elvis A. Utz, Examiner

TRANSCRIPT OF HEARING

MR. UTZ: The hearing will come to order. Case 4250.

MR. HATCH: Case 4250, application of McCrary & Franklin for waterflood project, Eddy County, New Mexico.

(Witness sworn)

MR. UTZ: Any other appearances: Let the record show there were none. You may proceed.

(Whereupon, Applicant's Exhibits A & B were marked for identification).

HAROLD KERSEY,

called as the witness, first having been duly sworn, was examined and testified as follows:

MR. KERSEY: My name is Harold Kersey and I represent McCrary & Franklin here as their operator, and also as a partner.

This application is for the waterflooding in the Square Lake Field and consists of injecting into one well. The water for this project will be furnished by Continental Oil Company and this flood will be operated in conjunction with the flood of Continental Oil Company, C. O. Fulton and Kersey and Company.

I have two exhibits that I wish to present. Exhibit A which shows the proposed flood area and the wells within a

two-mile radius. The lease involved is an 80-acre tract. One well will be used for injection and one will be a producer.

Exhibit B shows how the injection well will be completed. The eight and five-eighths in this well is set at 282 feet with twenty-five sacks. The seven-inch casing is set at 2463 with seventy-five sacks. Water will be injected into the Grayburg-Premier section of the Grayburg, which is the lower section and also into the Lovington Sand, which is about 125 feet below the Premier.

The method to be used, cement-lined tubing will be run to approximate depth of 2400 feet with a tension packer and the annulus filled with inhibited water, and water injected under the packer. The estimated top of the cement on the eight and five-eighths casing is 180 feet. The estimated top of the cement on the seven-inch casing is 1725 feet.

The well will probably take around 200 -- we anticipate around 200 barrels a day, and that's it.

EXAMINATION

BY MR. UTZ:

Q How much pressure do you estimate?

A Estimate approximately fourteen to sixteen hundred

pounds of pressure.

Q What about the annulus at the surface, how are you going to take care of that?

A The annulus will be filled with inhibited water.

Q And you will leave the surface open?

A We will leave the head open so if there is any leakage, it will become immediately apparent.

Q This 80 acres will have one injection well and one producing well?

A That is right.

Q This project area will be 80 acres?

A 80 acres.

MR. UTZ: Any other questions of the witness?

MR. HATCH: What's the production from the producing well at the present time?

THE WITNESS: Approximately the lease is making, approximately six barrels but about three barrels for each well which is in the last stages of the primary.

MR. UTZ: Any other questions? Witness may be excused. Case will be taken under advisement.

I N D E X

WITNESS	PAGE
HAROLD KERSEY	
Examination by Mr. Utz	3

EXHIBITMARKEDOFFERED AND
ADMITTED

Applicant's A & B

2

I, Wayne Flores, Court Reporter in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me and that the same is a true and correct record of the said proceedings to the best of my knowledge, skill and ability.

Wayne Jones
Court Reporter

I do hereby certify that the foregoing is a complete record of the hearing of the Executive Hearing of Case No. 4256, heard by me on 10-15-69.

New Mexico Oil Conservation Commission

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

November 10, 1969

Mr. Harold Kersey
Kersey & Company
Post Office Box 316
Artesia, New Mexico 88210

C Dear Sir:

Enclosed herewith is Commission Order No. R-3872, entered in Case No. 4250, approving the McCrary & Franklin Square Lake Shipley Waterflood Project.

O Injection is to be through the one authorized water injection well which shall be equipped with cement-lined tubing set in a packer at approximately 2400 feet. The casing-tubing annulus shall be loaded with a corrosion-inhibited fluid and equipped with a pressure gauge at the surface.

P 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 84 barrels per day when the Southeast New Mexico normal unit allowable is 42 barrels per day or less.

Y 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.

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

-2-

November 10, 1969

Mr. Harold Kersey
Kersey & Company
Post Office Box 316
Artesia, New Mexico

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

C

O

ALP/DSM/lr

P

cc: Oil Conservation Commission
Hobbs and Artesia

U. S. Geological Survey
Drawer U
Artesia, New Mexico

Y

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



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
F. O. Drager U
Artesia, New Mexico 88210

1969
IN REPLY REFER TO:

December 4, 1969

McCrory & Franklin, Inc.
c/o Kersey and Company
Post Office Box 316
Artesia, New Mexico 88210

MA
file
Case 4250

Gentlemen:

Your letter of November 18, 1969 submitted by Kersey & Company requests approval to operate a waterflood of the Grayburg formation on that portion of oil and gas lease Las Cruces 067807 described as follows:

T. 17 S., R. 29 E., N.M.P.M., Eddy County, New Mexico
sec. 3: SE $\frac{1}{4}$ SW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$

You propose to convert to water injection, the No. 2 Shipley located in the NE $\frac{1}{4}$ SW $\frac{1}{4}$ of sec. 3 above. The flood pattern would be nonsymmetrical, but in cooperation with the surrounding waterflood projects.

The plan for operating the above described waterflood project as proposed in the application is satisfactory to this office, and hereby approved subject to approval by the New Mexico Oil Conservation Commission and the following:

1. This project will be operated in compliance with the New Mexico Oil Conservation Commission regulations governing waterflood operations.
2. Duplicate copies of a monthly progress report (N.M.O.C.C. form C-120 acceptable) are to be submitted to this office showing the volume of water injected and average pressure for the injection wells and production for the producing wells in the project area.
3. This approval does not preclude the necessity for further approval when the project is expanded to include other wells and leases or the necessity to submit the usual notices and reports on wells involved.

Sincerely yours,

(Orig. Sgd.) JAMES A. KNAUF

James A. Knauf
District Engineer

cc: N.M.O.C.C., Santa Fe ✓
Roswell - Accounts - File w/attachment

RLB:ih 12/4/69

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. 4250
Order No. R-3872

APPLICATION OF MCCRARY & FRANKLIN
FOR A WATERFLOOD PROJECT, EDDY COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on November 5, 1969, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 10th day of November, 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, McCrary & Franklin, seeks permission to institute a waterflood project in the Square Lake Pool by the injection of water into the Grayburg-San Andres formation through its Shipley Well No. 2 located in Unit K of Section 3, Township 17 South, Range 29 East, NMPM, Eddy County, New Mexico.

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

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

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CASE No. 4250

Order No. R-3872

(5) 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.

IT IS THEREFORE ORDERED:

(1) That the applicant, McCrary & Franklin, is hereby authorized to institute a waterflood project in the Square Lake Pool by the injection of water into the Grayburg-San Andres formation through its Shipley Well No. 2, located in Unit K of Section 3, Township 17 South, Range 29 East, NMPM, Eddy County, New Mexico.

(2) That the subject waterflood project is hereby designated the McCrary & Franklin Square Lake Shipley Waterflood Project and shall be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

(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 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. ARMIJO, Member


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


esr/

ROUGH DRAFT FOR WATERFLOOD LETTERS

Mr. Harold Kersey
Kersey & Company
Post Office Box 316
Artesia, New Mexico 88210

Dear Sir:

Enclosed herewith is Commission Order No. R-3872, entered in Case No. 4250, approving the McCrory & Franklin Square Lake Shipley Waterflood Project.

Injection is to be through the one authorized water injection well which shall be equipped with cement-lined tubing set in a packer at approximately 2400 feet. The casing-tubing annulus shall be loaded with a corrosion-inhibited fluid and 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 84 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 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 x
Aztec -
USGS Artesia

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

4250

Heard 11-5-69

Rec. 11-5-69.

Grant M. Gray & Franklin
permission to convert their
Shipley #2. unit to 3-17-29, Ed
to be waterflood injection well.
Project area consists of ~~SE~~
SE NW & NE SW of sec. 3. 1 pro-
ducer + 1 injection well.

Injection shall be thru
2" cement coated tubing
under a packer set at approx
2400' + into open hole of
the Grayburg of the square
lake pool.

— Grant M. Gray

Docket No. 20-69

DOCKET: EXAMINER HEARING - WEDNESDAY - NOVEMBER 5, 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 Examiners:

CASE 4243: Application of Mobil Oil Corporation for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle production from the Vacuum-Upper Pennsylvanian Pool and the Vacuum-Middle Pennsylvanian Pool in the wellbore of its Bridges State Well No. 121 located in Unit L of Section 13, Township 17 South, Range 34 East, Lea County, New Mexico.

CASE 4244: Application of Gulf Oil Corporation for an amendment to Order No. R-1084, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-1084 to permit the simultaneous dedication of the 480-acre non-standard gas proration unit established by said order to its H. T. Mattern (NCT-E) Wells No. 10 and 11 located, respectively, 660 feet from the South line and 1980 feet from the West line of Section 1 and 1980 feet from the East line and 660 feet from the North line of Section 12, both in Township 22 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico. Applicant further seeks authority to produce the allowable assigned to said unit from either of the aforesaid wells in any proportion.

CASE 3889: In the matter of Case No. 3889 being reopened pursuant to the provisions of Order No. R-3585, which order established 160-acre spacing units and 160-acre proportional factors of 4.77 for the Middle Allison-Pennsylvanian Pool, Lea and Roosevelt Counties, New Mexico, for a period of one year. All interested parties may appear and show cause why said pool should not be developed on less than 160-acre spacing and why the 160-acre proportional factor of 4.77 should or should not be retained.

CASE 4245: Application of Texas Pacific Oil Company, Inc., for several non-standard gas proration units, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the dedication and rededication of certain acreage and the establishment of the following non-standard gas proration units in Townships 22 and 23 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico:

November 5, 1969, Examiner Hearing

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Docket No. 30-69

A 160-acre unit comprising the W/2 SE/4 and the E/2 SW/4 of Section 8, Township 22 South, Range 36 East, to be dedicated to the State "A" a/c-2 Well No. 56 located in Unit J of said Section 8;

A 200-acre unit comprising the NW/4 and the NW/4 SW/4 of Section 11, Township 22 South, Range 36 East, to be dedicated to the State "A" a/c-2 Well No. 42 located in Unit E of said Section 11;

A 280-acre unit comprising the SE/4, S/2 SW/4, and the NE/4 SW/4 of Section 11, Township 22 South, Range 36 East, to be dedicated to the State "A" a/c-2 Well No. 36 located in Unit M of said Section 11;

A 200-acre unit comprising the N/2 NE/4, the SE/4 NE/4, and the NE/4 NW/4 of Section 15 and the SE/4 SW/4 of Section 10, Township 23 South, Range 36 East, to be dedicated to the State "A" a/c-1 Well No. 31 located in Unit H of said Section 15;

A 160-acre unit comprising the S/2 NW/4, SW/4 NE/4 and the NW/4 NW/4 of Section 15, Township 23 South, Range 36 East, to be dedicated to the State "A" a/c-1 Well No. 33 located in Unit F of said Section 15;

A 240-acre unit comprising the SW/4 of Section 3 and the N/2 NW/4 of Section 10, Township 23 South, Range 36 East, to be dedicated to the State "A" a/c-1 Well No. 35 located in Unit L of said Section 3;

A 160-acre unit comprising the S/2 NW/4 and N/2 SW/4 of Section 10, Township 23 South, Range 36 East, to be dedicated to the State "A" a/c-1 Well No. 37 located in Unit F of said Section 10.

CASE 4246: Application of Humble Oil & Refining Company for salt water disposal, Lea 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 3860 feet to 4020 feet in its New Mexico "S" State Well No. 26 located in Unit L of Section 2, Township 22 South, Range 37 East, South Basin-San Andres Pool, Lea County, New Mexico.

CASE 3928: (Reopened)

In the matter of Case No. 3928 being reopened pursuant to the provisions of Order No. R-3586, which order established 80-acre spacing units for the East Shoe Bar-Devonian, Lea County, New Mexico, for a period of one year. All interested parties may appear and show cause why said pool should not be developed on 40-acre spacing units.

CASE 4247: Application of J. J. Travis for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the North Shugart Queen Unit Area comprising 520 acres, more or less, of federal lands in Sections 20, 21, and 28, Township 18 South, Range 31 East, Shugart (Yates-Seven Rivers-Queen-Grayburg) Pool, Eddy County, New Mexico.

CASE 4248: Application of J. J. Travis for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in his North Shugart Queen Unit Area by the injection of water into the Queen formation through nine wells at orthodox and unorthodox locations in Sections 20 and 21, Township 18 South, Range 31 East, Shugart (Yates-Seven Rivers-Queen-Grayburg) Pool, Eddy County, New Mexico. Applicant further seeks a procedure whereby additional injection wells at orthodox and unorthodox locations may be approved administratively.

CASE 4249: Application of Tenneco Oil Company for amendment of Order No. R-3822 and off-lease storage, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks amendment of Order No. R-3822, which order pooled all mineral interests in the Basin-Dakota Gas Pool underlying the N/2 of Section 11, Township 29 North, Range 13 West, San Juan County, New Mexico, to form a 320-acre gas proration unit dedicated to a well to be drilled at an unorthodox location 2250 feet from the North line and 600 feet from the East line of said Section 11. Applicant now seeks amendment of said order to permit the drilling of said well at a point 2390 feet from the North line and 275 feet from the East line of said Section 11. Applicant further seeks authority to transport, prior to measurement, to another lease for storage the liquid hydrocarbons produced by the subject well.

CASE 3455: (Reopened):

In the matter of Case No. 3455 being reopened pursuant to the provisions of Order No. R-2565-B, which order, among other things, established 320-acre spacing units for the West Puerto Chiquito-Mancos Oil Pool, Rio Arriba County, New Mexico, for a period of three years. All interested parties may appear and show cause why said pool should not be developed on 40-acre spacing units.

CASE 4250: Application of McCrary & Franklin for waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the Grayburg and Lovington sands through their Shipley Well No. 2 located in Unit K of Section 3, Township 17 South, Range 29 East, Square Lake Pool, Eddy County, New Mexico.

CASE 4251: Application of Kersey & Company for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the Queen formation through its Welch Well No. 2 located in Unit G of Section 4 and its Welch Well No. 4 located in Unit C of Section 4, both in Township 19 South, Range 31 East, Shugart Pool, Eddy County, New Mexico.

CASE 4220: (Continued from the October 8, 1969, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit E. P. Campbell, and all other interested parties to appear and show cause why the E. P. Campbell Christmas Well No. 1 located in Unit C of Section 6, Township 23 South, Range 36 East, Jalmat Pool, Lea County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

KERSEY & COMPANY
DRILLING AND OIL PRODUCTION
Phone 746-3671 • P. O. Box 316 • 808 W. Grand
ARTESIA, NEW MEXICO 88210

SEP 16 1969

October 15, 1969

Case 4250

Re: Water Injection well
Square Lake Field

Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Gentlemen:

We would appreciate it if you would schedule a hearing for McCrary & Franklin for the purpose of obtaining permission to convert to water injection their #2 Shipley well located 2310' from the South line and 2310' from the West line of Section 3, T17S, R29E, Eddy County, New Mexico. It is proposed to inject water into the Grayburg and Lovington sands at a depth of 2461 - 2605'.

Yours very truly,

KERSEY & COMPANY FOR MCCRARY & FRANKLIN

By: *Harold Kersey*
Agent

HK:cg

DOCKET MAILED

Date 10-24-69

KERSEY & COMPANY
DRILLING AND OIL PRODUCTION
Phone 716-3671 • P. O. Box 316 • 808 W. Grand
ARTESIA, NEW MEXICO 88210

October 29, 1969

Re: McCrary-Franklin Waterflood
Square Lake Field

State of New Mexico
Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico

Attention: Secretary Director,
Mr. A. L. Porter

Gentlemen:

It is respectfully requested in order to promote conservation that McCrary & Franklin be given approval for a water flood project which includes the well hereinafter listed:

McCrary & Franklin Shipley No. 2
located 2310' FSL and 2310' FWL
Section 3, T17S, R29E,
Eddy County, New Mexico

Water will be furnished by Continental Oil Company, and this flood will be operated in cooperation with the adjacent flood of C. O. Fulton and Kersey & Company.

Enclosed herewith are exhibits "A" & "B".

Copies of this application have been sent to the adjacent operators.

The operator of this flood will upon approval of the flood immediately notify the New Mexico Oil Conservation Commission of injection operations and abide by the rules and regulations as set out in the order and will also file and maintain accurate records as required by the New Mexico Oil Conservation Commission.

Yours very truly,

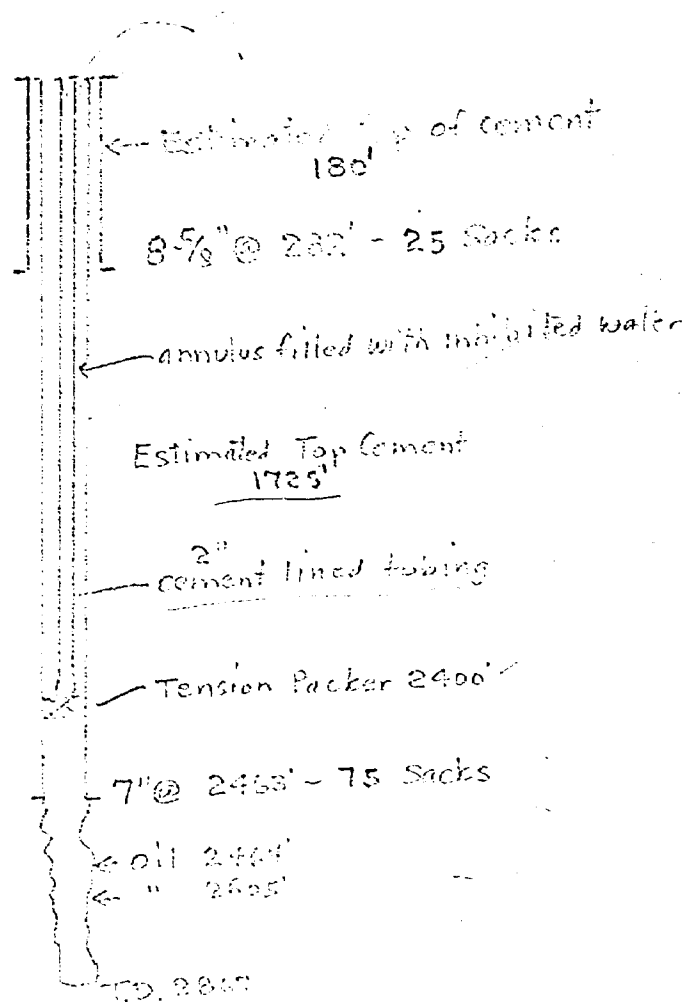
KERSEY & COMPANY for McCRARY & FRANKLIN

By: Harold Kersey
Agent

HK/cg

CC: Kersey & Company, Continental Oil Co., C. O. Fulton

McCrary & Franklin Flood
Premier & Livingston Sands 2450-2650'



BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION
EXHIBIT NO. <u>13</u>
CASE NO. <u>4250</u>

Exhibit "B"

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. 4250

Order No. R- 3872

APPLICATION OF McCRARY & FRANKLIN
FOR A WATERFLOOD PROJECT, EDDY COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on November 5, 1969,
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this _____ day of November, 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, McCrary & Franklin,
seeks permission to institute a waterflood project in the _____

===== ~~Unit Area~~, Square Lake Pool, by
the injection of water into the Grayburg and SAN ANTONIO formation
~~Shipley~~ Shipley Well No. 2 located in Unit K of Section 3,
through / ~~injection wells in Section~~ =====
Township 17 ~~North~~ South, Range 29 ~~West~~ East, NMPM,
Eddy County, New Mexico.

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

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

(5) 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.

IT IS THEREFORE ORDERED:

(1) That the applicant, McCrary & Franklin,
is hereby authorized to institute a waterflood project in the
=====Unit Area Square Lake Pool
by the injection of water into the Grayburg-~~and~~ San Andres formation
Lowington sands
~~through the following described wells in Township~~
~~North, South, Range~~ =====West, East, NMPM,=====
~~County, New Mexico~~
through ^{its} Shipley Well No. 2, located in Unit K of Section 3,
Township 17 South, Range 29 East, NMPM, Eddy County, New Mexico.

(2) That the subject waterflood project is hereby designated
the McCrary & Franklin Square Lake Shipley Waterflood Project and shall
be governed by the provisions of Rules 701, 702, and 703 of the
Commission Rules and Regulations.

(3) That monthly progress reports of the waterflood project
herein authorized shall be submitted to the Commission in accor-
dance with Rules 704 and 1120 of the Commission Rules and Regula-
tions.

(4) 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.