

CASE 4686: Application of JACK L.  
McCLELLAN FOR A WATERFLOOD EXPAN-  
SION, CHAVES COUNTY, N. MEX.

Case Number

4686

Application

Transcripts

Small Exhibits

ETC.

dearnley-meier reporting

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS  
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BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
CONFERENCE ROOM, STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO  
April 5, 1972

EXAMINER HEARING

IN THE MATTER OF:

Application of Jack L.  
McClellan for a waterflood  
expansion, Chaves County,  
New Mexico.

Case NO. 4686

BEFORE: Daniel S. Nutter  
Alternate Examiner.

TRANSCRIPT OF HEARING

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1 MR. NUTTER: Call next case number 4686.  
 2 MR. HATCH: Case 4686. Application of Jack  
 3 L. McClellan for a waterflood expansion, Chaves County, New  
 4 Mexico.  
 5 ME. KELLAHIN: If the Examiner please, Jason  
 6 Kellahin, Kellahin and Fox, Santa Fe, appearing for the appli-  
 7 cant. We have one witness I would like to have sworn.  
 8 (THEREUPON, the witness was duly sworn.)  
 9  
 10 WILLIAM J. LeMAY  
 11 was called as a witness in behalf of the applicant, and having  
 12 been first duly sworn, testified upon his oath as follows,  
 13 to-wit:  
 14  
 15 DIRECT EXAMINATION  
 16 BY MR. KELLAHIN:  
 17 Q Would you state your name, please?  
 18 A William J. LeMay.  
 19 Q What business are you engaged in, Mr. LeMay?  
 20 A I am a consulting geologist in Santa Fe, New  
 21 Mexico.  
 22 Q In connection with your work as a consultant  
 23 geologist, have you done any work for the Jack L. McClellan  
 24 in preparation for case number 4686?  
 25 A Yes, sir, I have.

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1 Q Have you testified before the Oil Conservation  
 2 Commission and made your qualifications a matter of record?

3 A Yes, I have.

4 MR. KELLAHIN: Are the witness's qualifications  
 5 acceptable?

6 MR. NUTTER: Yes, they are.

7 Q Mr. LeMay, what is proposed by the applicant  
 8 in case 4686?

9 A Jack McClellan proposes in case 4686 to gain  
 10 approval for three water injection wells in his waterflood  
 11 of the Sulimar-Queen field in Chaves County. Also, he  
 12 requests that future injection wells be approved administra-  
 13 tively by the Commission.

14 Q And that would be whether there has been a  
 15 response to the waterflood project or not, is that correct?

16 A That's correct. He is injecting water at the  
 17 present time and depending upon the production, oil production  
 18 of current wells, and the need for additional injection  
 19 wells, he will expand the flood as needed.

20 Q Now, would you describe the wells which are  
 21 proposed to be included as injection wells?

22 A Yes, sir. As advertised on the docket, the  
 23 three wells which are proposed for approval by the Commission  
 24 are the Smernoff Federal number one, located in unit B of  
 25 Section 24, 15 South, Range 29 East. That well is colored

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1 orange on the enclosed exhibit. The Carthel Federal number  
 2 two in unit P of Section 23, same township and range, and  
 3 the LaRue Federal number in unit D of Section 25, 15 South,  
 4 29 East.

5 Q Do you know whether the use for these wells of  
 6 water injection has been approved by the U.S.G.S.

7 A Yes, sir, I understand that the U.S.G.S. has  
 8 approved the wells for injection.

9 Q And as far as you know they are presently  
 10 being used for injection?

11 A That's correct. They have -- there has been  
 12 water injected in those wells.

13 Q And that necessitated this hearing?

14 A Yes, sir.

15 Q These wells were not included in order number  
 16 R-4214 which approved the Sulimar-Queen waterflood project,  
 17 were they?

18 A No, they were not, and in talking to the engi-  
 19 neer with Mr. McClellan, he indicated some change was  
 20 necessary in the injection pattern, because of the production  
 21 on the Lisa C. federal lease, which includes the east half  
 22 of Section 24 with the exception of the two forks as shown  
 23 on the exhibit.

24 This lease, four wells are currently producing  
 25 sixty-three barrels of oil per day, and as it is a little too

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1 good to inject water in, is what it amounts to right now,  
 2 so this necessitated in plans in the injection pattern that  
 3 was initially approved by the Commission.

4 Q Now, water is being injected in this project,  
 5 is it not?

6 A That's correct. My understanding is as of the  
 7 first of April, 1972, a total of a hundred and twenty-two  
 8 thousand nine hundred and eighty-eight barrels of oil had been  
 9 injected into the formation.

10 MR. NUTTER: Of water?

11 A Water, I'm sorry; barrels of water.

12 Q Hasn't the project received a response as yet?

13 A No, it hasn't.

14 Q Would you anticipate a response with that  
 15 volume of water?

16 A No, I would not. They anticipate a response in  
 17 three to four months, and possibly longer, unless the volume  
 18 of water injected in the formation is increased.

19 Q Was exhibit number one prepared by you or under  
 20 your supervision?

21 A Yes, sir, it was.

22 MR. KELLAHIN: I would like to offer in evidence  
 23 exhibit number one.

24 MR. NUTTER: McClellan Exhibit Number One will  
 25 be admitted in evidence.

1 MR. KELLAHIN: That's all I have of this  
2 witness.

3  
4 CROSS EXAMINATION

5 BY MR. NUTTER:

6 Q Mr. LeMay, the construction of these wells for  
7 water injection purposes hasn't been mentioned. We did  
8 approve certain wells for water injection purposes after the  
9 hearing in Hobbs for this -- or in Roswell --

10 A Roswell.

11 Q -- Roswell, for this project, a typical well  
12 construction program was submitted at that time and approved.

13 A That's correct.

14 Q Are these wells completed in a similar plan?

15 A Yes, sir, they are all completed as indicated  
16 by the order, the packers placed approximately fifty above  
17 the pay zone, or the injection zone, and corrosion is con-  
18 trolled by treatment, United Chemical is treating the water  
19 prior to injection, because there is no plastic linking on  
20 the tubing.

21 Q And in each of these it is going down tubing  
22 under a packer's arm?

23 A That's correct, and the annulus is monitored  
24 at the surface with other fluids.

25 MR. NUTTER: Are there any other questions of

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1 Mr. LeMay? He may be excused.

2 (THEREUPON, the witness was excused.)

3 MR. NUTTER: Do you have anything further,  
4 Mr. Kellahin?

5 MR. KELLAHIN: That's all, Mr. Nutter.

6 MR. NUTTER: You did wish that this order  
7 that authorized the water flood be amended to also include  
8 administrative procedure in the future?

9 MR. KELLAHIN: That's correct.

10 MR. NUTTER: For additional wells with that  
11 response?

12 MR. KELLAHIN: That's right.

13 MR. NUTTER: Does anyone have anything  
14 further to offer in case number 4686? We'll take the case  
15 under advisement.

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STATE OF NEW MEXICO )  
 ) SS.  
 COUNTY OF BERNALILLO )

I, LINDA MALONE, a Certified Shorthand Reporter, 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.

*Linda Malone*  
 CERTIFIED SHORTHAND REPORTER

I do hereby certify that the foregoing is a complete record of the proceedings in the hearing held at 4686  
 hours by me on 4/5, 1972.  
*[Signature]*  
 New Mexico Oil Conservation Commission

dearnley-meier reporting company

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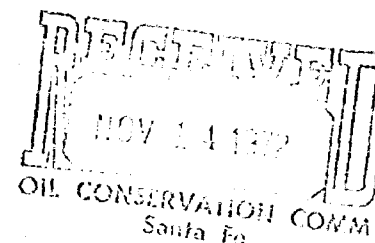
I N D E X

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1.	The Witness - WILLIAM J. LeMAY	
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2.	Reporter's Certificate	9



McClellan Oil Corporation



NOVEMBER 13, 1972

OIL CONSERVATION COMMISSION  
POST OFFICE BOX 2088  
SANTA FE, NEW MEXICO 88201

RE: SULIMAR QUEEN UNIT  
WATERFLOOD OPERATIONS  
CHAVES COUNTY, N. M.

ATTENTION: MR. A. L. PORTER, JR.

GENTLEMEN:

PURSUANT TO YOUR LETTER OF JUNE 2, 1972, WITH REFERENCE TO COMMISSION ORDER NO. R-4290, ENTERED IN CASE NO. 4686, THIS LETTER IS TO ADVISE THAT WE ARE NOW RECEIVING INCREASED PRODUCTION FROM THE WATERFLOOD DUE TO WATER INJECTION. WE HAVE NOT HAD A COMPLETE RESPONSE IN ALL THE WELLS, AND THE PRIMARY RESPONSE HAS BEEN ON TRACTS I, II AND III.

WE HAVE COMBINED PRODUCTIONS FROM TRACTS I, II AND III INTO A COMMON TANK BATTERY ON TRACT I. THE PRODUCED WATER IS NOW BEING RECYCLED AND INJECTED INTO THE QUEEN FORMATION, AND WE ARE IN THE PROCESS OF CONSOLIDATING AND RECYCLING WATER OFF TRACTS IV AND V.

VERY TRULY YOURS,

*Jack L. McClellan*  
JACK L. MCCLELLAN  
UNIT OPERATOR

JLMc:LT



## OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO  
P. O. BOX 2088 - SANTA FE  
87501

June 2, 1972

GOVERNOR  
BRUCE KING  
CHAIRMAN

LAND COMMISSIONER  
ALEX J. ARMIJO  
MEMBER

STATE GEOLOGIST  
A. L. PORTER, JR.  
SECRETARY - DIRECTOR

Mr. Jason Kellahin  
Kellahin & Fox  
Attorneys at Law  
Post Office Box 1769  
Santa Fe, New Mexico

Dear Mr. Kellahin:

Reference is made to Commission Order No. R-4290, recently entered in Case No. 4686, approving the expansion of the Sulimar-Queen Unit Waterflood Project.

Injection into the three newly authorized water injection wells shall be through tubing and packer, the packers being set approximately 50 feet above the injection zone.

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 882 barrels per day when the South-east 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.

Page -2-

Mr. Jason Kellahin  
Kellahin & Fox  
Attorneys at Law  
Post Office Box 1769  
Santa Fe, New Mexico

June 2, 1972

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

ALP/DSN/ir

cc: OCC-Hobbs and Artesia, New Mexico  
Mr. D. E. Gray, State Engineer Office, Santa Fe, New Mexico

ROUGH DRAFT FOR WATERFLOOD LETTERS

Mr. Jason Kellahin  
Kellahin & Fox  
Attorneys at Law  
Post Office Box 1769  
Santa Fe, New Mexico  
Dear Sir:

*Reference is made to* Commission Order No. 4290 <sup>*recently*</sup>, entered in Case No. 4686, approving the expansion of the Sulimar-Queen Unit Waterflood Project.

*Injection into the three newly authorized water injection wells shall be through tubing and packer, the packers being set approximately 50 feet above the injection zone.*

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 ~~798~~ 882 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           

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



## OIL CONSERVATION COMMISSION

**STATE OF NEW MEXICO**  
**P. O. BOX 2088 - SANTA FE**  
**87501**

GOVERNOR  
BRUCE KING  
CHAIRMAN  
LAND COMMISSIONER  
ALEX J. ARMIJO  
MEMBER  
STATE GEOLOGIST  
A. L. PORTER, JR.  
SECRETARY - DIRECTOR

April 21, 1972


**Mr. Jason Kellahin  
Kellahin & Fox  
Attorneys at Law  
Post Office Box 1769  
Santa Fe, New Mexico**

Re: Case No. 4686  
Order No. R-4290  
Applicant:  
Jack L. McClellan

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 x  
 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. 4686  
Order No. R-4290

APPLICATION OF JACK L. McCLELLAN  
FOR A WATERFLOOD EXPANSION,  
CHAVES COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on April 5, 1972, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 21st day of April, 1972, 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, Jack L. McClellan, seeks permission to expand his waterflood project in his Sulimar-Queen Unit Area, Sulimar-Queen Pool, by the injection of water into the Queen formation through three additional injection wells located in Township 15 South, Range 29 East, NMPM, Chaves County, New Mexico, as follows:

Smernoff Federal No. 1	-	Unit B	-	Section 24
Carthel Federal No. 2	-	Unit P	-	Section 23
La Rue Federal No. 1	-	Unit D	-	Section 25

(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.

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

-2-

CASE NO. 4686  
Order No. R-4290

(5) That the proposed expansion of the 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, Jack L. McClellan, is hereby authorized to expand his waterflood project in his Sulimar-Queen Unit Area, Sulimar-Queen Pool, by the injection of water into the Queen formation through the following-described wells in Township 15 South, Range 29 East, NMPM, Chaves County, New Mexico:

Smernoff Federal No. 1	-	Unit B	-	Section 24
Carthel Federal No. 2	-	Unit P	-	Section 23
La Rue Federal No. 1	-	Unit D	-	Section 25

(2) That the expanded waterflood project 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 Sulimar-Queen Unit Waterflood Project to include such additional lands and injection wells in the area of the 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.

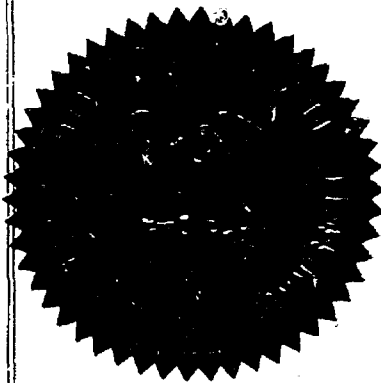
(3) That monthly progress reports of the expanded waterflood project herein authorized shall be submitted to the Commission in accordance with Rules 704 and 1120 of the Commission Rules and Regulations.

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

-3-  
CASE NO. 4686  
Order No. R-4290

DONE at Santa Fe, New Mexico, on the day and year herein-  
above designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION



*Bruce King*  
BRUCE KING, Chairman

*Alex J. Armijo*  
ALEX J. ARMIGO, Member

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

S E A L

dr/

CASE 4686: Application of Jack L. McClellan for a waterflood expansion, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks to expand the waterflood projects in the Sulimar-Queen Pool, Chaves County, New Mexico, authorized by Order No. R-4214, by the injection of water into said pool through three additional injection wells located in Township 15 South, Range 29 East, as follows:

Smernoff Federal No.	1 - Unit B - Section 24
Carthel Federal No.	2 - Unit P - Section 23
La Rue Federal No.	1 - Unit D - Section 25

Applicant further seeks amendment of the rules governing said projects to permit expansion administratively without a showing of well response.

CASE 4687: Application of Riggs Oil & Gas Corporation for down-hole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle production from an undesignated Fruitland gas pool and the Fulcher Kutz-Pictured Cliffs Gas Pool in the wellbore of its Federal Well No. 1 located in Unit F of Section 4, Township 29 North, Range 12 West, San Juan County, New Mexico.

**R 29 E**

**T 15 S**

**CASE NO. 4686 Exhibit No. 1**

**SULIMAR WATERFLOOD**  
(cum. water injected to 4-1-72=122,988 Bbls)

**BEFORE EXAMINER NUTTER**  
**OIL CONSERVATION COMMISSION**

EXHIBIT NO. \_\_\_\_\_  
CASE NO. 4686  
Submitted by Perry  
Hearing Date 4-5-72

**Water Injection Wells**

W. J. LeMay - Geologist

BEFORE EXAMINER NUTTER  
OIL CONSERVATION COMMISSION

*App* EXHIBIT NO. 1  
CASE NO. 4386  
Submitted by Penning  
Hearing Date 4-5-72

**McCLELLA**


  
 TD 11 250'

**N. King Camp**

SUITE 814  
PETROLEUM BUILDING

JACK L. MCCLELLAN  
GEOLOGIST AND OIL PRODUCER  
P. O. BOX 848  
ROSWELL, NEW MEXICO 88201

505 622-3200 OFFICE  
505 622-4076 HOME

MARCH 3, 1972

*Received  
April 5*

MR. JASON W. KELLAHIN  
KELLAHIN AND FOX  
POST OFFICE BOX 1769  
SANTA FE, NEW MEXICO 87501

*Case 4686*

RE: SULIMAR QUEEN UNIT  
OCC HEARING  
WATERFLOOD OPERATIONS

DEAR JASON:

PLEASE ARRANGE FOR A COMMISSION HEARING TO INCLUDE THE SMERNOFF, CARTEL No. 2 AND LARUE FEDERAL WELLS AS INJECTION WELLS FOR THE CAPTIONED UNIT. ALSO, PLEASE REQUEST ADMINISTRATIVE APPROVAL FOR THE ADDITION OF OTHER WELLS IN ORDER THAT WE MIGHT NOT HAVE TO HAVE ANOTHER HEARING. THE APRIL 5, 1972 DATE WILL BE FINE.

FOR YOUR INFORMATION, THE UNIT FOR THE ANN FEE HAS ARRIVED AND BEEN SET UP AND THE TANK BATTERY HAS BEEN COMPLETED. WE ARE WAITING ON ELECTRICITY, WHICH WE HAVE BEEN PROMISED THE FIRST OF NEXT WEEK. TRUST WE WILL HAVE THIS WELL ON PRODUCTION THE LATTER PART OF NEXT WEEK.

SMERNOFF FED 1  
CARTEL FED 2  
LARUE FED 1

VERY TRULY YOURS,  
*[Signature]*  
JACK L. MCCLELLAN

B 24  
P 23  
D 25

JLMc/LT

T 15 S R 29 E CHAVES CO.

DOCKET NUMBER

Date 3/23/72

DRAFT

GMH/dr

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. 4686

Order No. R-4290

APPLICATION OF JACK L. MCCLELLAN  
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ORDER OF THE COMMISSION

BY THE COMMISSION:

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NOW, on this        day of April, 1972, 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, Jack L. McClellan, seeks  
permission to expand his waterflood project in his Sulimar -  
Queen Unit Area, Sulimar-Queen Pool, by the injection  
of water into the Queen formation through three  
additional injection wells located in Township 15 South, Range 29 East,  
NMPM, Chaves County, New Mexico, as follows:

Smernoff Federal No. 1 - Unit B - Section 24

Carthel Federal No. 2 - Unit P - Section 23

La Rue Federal No. 1 - Unit D - Section 25

(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.

(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 <sup>expansion of the</sup> 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, Jack L. McClellan, is hereby authorized to <sup>expand his</sup> ~~institute a~~ waterflood project in his <sup>his</sup> ~~Sulimar~~ Queen Unit Area, Sulimar-Queen Pool, by the injection of water into the Queen formation through the following-described wells in Township 15 South, Range 29 East, NMPM, Chaves County, New Mexico:

Smernoff Federal No. 1 - Unit B - Section 24

Carthel Federal No. 2 - Unit P - Section 23

La Rue Federal No. 1 ~~X~~ - Unit D - Section 25



(2) That the <sup>expanded</sup> ~~subject~~ waterflood project ~~is hereby designated~~  
the ~~Unit Waterflood Project~~ and shall be  
governed by the provisions of Rules 701, 702, and 703 of the Com-  
mission Rules and Regulations;

PROVIDED HOWEVER, that the Secretary-Director of the Commis-  
sion may approve expansion of the Sullivan - Queen  
Unit Waterflood Project to include such additional lands and injec-  
tion wells in the area of the 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 <sup>expanded</sup> ~~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.

CASE 4687: Application of RIGGS  
OIL & GAS CORP. FOR DOWNHOLE  
COMMINGLING, SAN JUAN COUNTY.