

CASE 6093: OCC TO CONSIDER THE RECLASS-
IFICATION OF PRESSURE MAINTENANCE
PROJECTS AS SECONDARY RECOVERY PROJECTS
IN SAN JUAN, AND MCKINLEY COUNTIES, NM

Case Number

6093

Application

Transcripts.

Small Exhibits

FT

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

CASE NO. 6093
Order No. R-6172

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION ON ITS OWN MOTION TO
CONSIDER THE RECLASSIFICATION
OF CERTAIN PRESSURE MAINTENANCE
PROJECTS IN SAN JUAN AND MCKINLEY
COUNTIES, NEW MEXICO, AS SECONDARY
RECOVERY PROJECTS.

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on November 30, 1977, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 2nd day of November, 1979, the Division Director, 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 Division has jurisdiction of this cause and the subject matter thereof.

(2) That the Oil Conservation Division heretofore authorized the following Northwest New Mexico pressure maintenance projects in the named pools by the designated order:

<u>PROJECT</u>	<u>POOL</u>	<u>ORDER NO.</u>
Atlantic Horseshoe Gallup	Horseshoe-Gallup	R-2210
Dugan Central Cha Cha Unit	Cha Cha-Gallup	R-2305
Energy Reserves Horseshoe Gallup No. 3	Horseshoe-Gallup	R-1876
Energy Reserves NE Hogback Eng. & Prod. Serv.	Horseshoe-Gallup	R-2026
Horseshoe Gallup No. 2 Eng. & Prod. Serv. Many	Horseshoe-Gallup	R-1745
Rocks Gallup No. 1 Getty Many Rocks Gallup	Many Rocks-Gallup	R-2541
No. 3 Shell Carson Bisti	Many Rocks-Gallup Bisti-Gallup	R-2664 R-2065

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<u>PROJECT</u>	<u>POOL</u>	<u>ORDER NO.</u>
Suburban NW Cha Cha	Cha Cha-Gallup	R-2154
Tenneco Lone Pine DK "D"	Lone Pine-Dakota "D"	R-4263
Woosley Many Rocks Gallup No. 4	Many Rocks-Gallup	R-2700

(3) That each of the above-named pressure maintenance projects has declined to the point where it can no longer be correctly classified as a "pressure maintenance" project but can be correctly classified as a "secondary recovery" project.

(4) That due to certain recent changes in the rules governing reports, the reporting of injection and production is less complicated and time-consuming to operators of secondary recovery projects than is the similar reporting for pressure maintenance projects.

(5) That the processing of data relating to secondary recovery projects by the Oil Conservation Division of the New Mexico Energy and Minerals Department for the purpose of maintaining production records is less time-consuming than is the processing of similar data for pressure maintenance projects.

(6) That the reclassification of the pressure maintenance projects named in Finding No. (2) above as secondary recovery projects will result in a saving of time and effort by both the operators of the projects and by the Division in reporting and processing data relating to the projects, thereby preventing waste, and that said reclassification will not impair correlative rights.

(7) That even though some of the subject projects may not at this time be active projects, or even though some of the originally authorized injection wells may no longer be on active injection, the reclassification of said projects can most easily be carried out by rescinding the orders authorizing said projects as pressure maintenance projects and reauthorizing said projects as secondary recovery projects, subject to any particular rules previously promulgated for said projects which would still be applicable.

(8) That portions of Order No. R-2210, as amended by R-2210-A and R-2719, which authorized the Atlantic Refining Company Horseshoe Gallup Unit Pressure Maintenance Project should be rescinded and approval given for the Atlantic Horseshoe Gallup Waterflood Project.

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(9) That Order No. R-2305 which authorized the Dugan Central Cha Cha Unit Pressure Maintenance Project should be rescinded and approval given for the Dugan Central Cha Cha Unit Waterflood Project.

(10) That Order No. R-1876 which authorized the Energy Reserves Group Horseshoe Gallup Pressure Maintenance Project No. 3 should be rescinded and approval given to the Energy Reserves Group Horseshoe Gallup Waterflood Project No. 3.

(11) That Order No. R-2026 which authorized the Energy Reserves Group Northeast Hogback Pressure Maintenance Project should be rescinded and approval given to the Energy Reserves Group Northeast Hogback Waterflood Project.

(12) That Order No. R-1745 which authorized the Engineering and Production Service Horseshoe Gallup Pressure Maintenance Project No. 2 should be rescinded and approval given to the Engineering and Production Service Horseshoe Gallup Waterflood Project No. 2.

(13) That Order No. R-2541 which authorized the Engineering and Production Service Many Rocks Gallup Pressure Maintenance Project No. 1 should be rescinded and approval given for the Engineering and Production Service Many Rocks Gallup Waterflood Project No. 1.

(14) That Order No. R-2664 which authorized the Getty Many Rocks Gallup Pressure Maintenance Project No. 3 should be rescinded and approval given to the Getty Many Rocks Gallup Waterflood Project No. 3.

(15) That Order No. R-2065 which authorized the Shell Carson Bisti Lower Gallup Pressure Maintenance Project should be rescinded and approval given to the Shell Carson Bisti Lower Gallup Waterflood Project.

(16) That Order No. R-2154 which authorized the Suburban Propane Northwest Cha Cha Pressure Maintenance Project should be rescinded and approval given to the Suburban Propane Northwest Cha Cha Waterflood Project.

(17) That Order No. R-4263 which authorized the Tenneco Lone Pine Dakota "D" Pressure Maintenance Project should be rescinded and approval given to the Tenneco Lone Pine Dakota "D" Waterflood Project.

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(18) That Order No. R-2700 which authorized the James P. Woosley Many Rocks Gallup Pressure Maintenance Project No. 4 should be rescinded and approval given to the Woosley Many Rocks Gallup Waterflood Project No. 4.

IT IS THEREFORE ORDERED:

(1) That Order No. (8) of Division Order No. R-2210 and Order No. (2) of Division Order No. R-2210-A, and Division Orders Nos. R-2719, R-2305, R-1876, R-2026, R-1745, R-2541, R-2664, R-2065, R-2154, R-4263, and R-2700 are hereby rescinded.

(2) That the Atlantic Refining Company is hereby authorized to operate the Atlantic Horseshoe Gallup Waterflood Project, Horseshoe-Gallup Oil Pool, San Juan County, New Mexico, in accordance with the following:

A. The Division Director is authorized to approve such additional producing wells and injection wells at orthodox and unorthodox locations within the boundaries of the Horseshoe-Gallup Unit Area as may be necessary to complete an efficient production and injection pattern, provided said wells are drilled no closer than 330 feet to the outer boundary of said unit nor closer than 10 feet to any quarter-quarter section or sub-division inner boundary. To obtain such approval, the project operator shall file proper application with the Division, which application, if it seeks authorization to convert additional wells to injection or to drill additional production or injection wells shall include the following:

- (1) A plat showing the location of proposed well, all wells within the project area, and offset operators, locating wells which offset the project area.
- (2) A schematic drawing of the proposed well which fully describes the casing, tubing, perforated interval, and depth.
- (3) A letter stating that all offset operators to the proposed well have been furnished a complete copy of the application and the date of notification.

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The Director may approve the proposed well if, within 20 days after receiving the application, no objection to the proposal is received. The Director may grant immediate approval, provided waivers of objection are received from all offset operators.

Expansion of the project area may be approved by the Division Director administratively when good cause is shown therefor.

(3) That Dugan Production Company is hereby authorized to operate the Dugan Central Cha Cha Unit Waterflood Project, Cha Cha-Gallup Oil Pool, San Juan County, New Mexico, in accordance with the following:

- A. Injection in the Central Cha Cha Unit Project shall be through the following described wells in Section 31, Township 29 North, Range 13 West, NMPM:

Callow "B" Well No. 1, Unit K
Callow "B" Well No. 2, Unit I

(4) That Energy Reserves Group is hereby authorized to operate the Energy Reserves Group Horseshoe Gallup Waterflood Project No. 3, Horseshoe-Gallup Oil Pool, San Juan County, New Mexico, in accordance with the following:

- A. Injection in the Horseshoe Gallup Waterflood Project No. 3 shall be through the following described well in Section 5, Township 31 North, Range 17 West, NMPM:

Navajo Well No. 4-5, Unit M

(5) That Energy Reserves Group is hereby authorized to operate the Energy Reserves Group Northeast Hogback Waterflood Project, Horseshoe-Gallup Oil Pool, San Juan County, New Mexico, in accordance with the following:

- A. Injection into the Northeast Hogback Waterflood Project shall be through the following described wells in Township 30 North, Range 16 West, NMPM:

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Northeast Hogback Unit Well No. 4, Unit J, Section 14
Northeast Hogback Unit Well No. 6, Unit B, Section 15
Northeast Hogback Unit Well No. 10, Unit E, Section 14
Northeast Hogback Unit Well No. 11, Unit F, Section 14
Northeast Hogback Unit Well No. 13, Unit E, Section 13
Northeast Hogback Unit Well No. 14, Unit I, Section 14
Northeast Hogback Unit Well No. 16, Unit K, Section 13
Northeast Hogback Unit Well No. 17, Unit M, Section 13
Northeast Hogback Unit Well No. 20, Unit B, Section 24
Northeast Hogback Unit Well No. 21, Unit D, Section 15
Northeast Hogback Unit Well No. 22, Unit G, Section 15
Northeast Hogback Unit Well No. 23, Unit B, Section 10
Northeast Hogback Unit Well No. 25, Unit D, Section 11
Northeast Hogback Unit Well No. 29, Unit F, Section 11
Northeast Hogback Unit Well No. 30, Unit L, Section 10
Northeast Hogback Unit Well No. 32, Unit L, Section 11
Northeast Hogback Unit Well No. 37, Unit P, Section 10
Williams Well No. 2, Unit P, Section 11
Williams Well No. 3, Unit J, Section 11
Federal Well No. 3, Unit B, Section 14

(6) Engineering and Production Service, Inc., is hereby authorized to operate the Engineering and Production Service Horseshoe-Gallup Waterflood Project No. 2, Horseshoe-Gallup Oil Pool, San Juan County, New Mexico, in accordance with the following:

A. Injection into the Engineering and Production Service Horseshoe Gallup Waterflood Project No. 2 shall be through the following described wells in Township 31 North, Range 17 West, NMPM:

Navajo "F" Well No. 1, Unit D, Section 4
Navajo "F" Well No. 3, Unit L, Section 4
Navajo "F" Well No. 8, Unit E, Section 10
Navajo "F" Well No. 9, Unit K, Section 10
Navajo "F" Well No. 11, Unit I, Section 10
Navajo "F" Well No. 14, Unit M, Section 10
Navajo "F" Well No. 15, Unit J, Section 9
Navajo "F" Well No. 17, Unit G, Section 10
Navajo "F" Well No. 18, Unit C, Section 10
Navajo "F" Well No. 21, Unit D, Section 10
Navajo "F" Well No. 22, Unit H, Section 9
Navajo "F" Well No. 23, Unit B, Section 9
Navajo "F" Well No. 24, Unit P, Section 4
Navajo "F" Well No. 25, Unit N, Section 4
Navajo "F" Well No. 27, Unit J, Section 4
Navajo "F" Well No. 28, Unit F, Section 4

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Navajo "F" Well No. 31, Unit N, Section 3
Navajo "F" Well No. 32, Unit L, Section 3
Navajo "F" Well No. 33, Unit D, Section 9
Navajo "F" Well No. 34, Unit F, Section 9
Navajo "F" Well No. 36, Unit A, Section 10
Navajo "F" Well No. 38, Unit H, Section 4
Navajo "F" Well No. 40, Unit P, Section 9
Navajo "F" Well No. 43, Unit O, Section 3
Navajo "F" Well No. 44, Unit K, Section 10
Navajo "G" Well No. 3, Unit K, Section 11
Navajo "G" Well No. 4, Unit M, Section 11
Navajo "G" Well No. 5, Unit O, Section 11
Navajo "G" Well No. 6, Unit E, Section 11

(7) That Engineering and Production Services, Inc., is hereby authorized to operate the Engineering and Production Service Many Rocks Gallup Waterflood Project No. 1, Many Rocks-Gallup Oil Pool, San Juan County, New Mexico, in accordance with the following:

- A. Injection into the Engineering and Production Service Many Rocks Gallup Waterflood Project shall be through the following described wells in Township 31 North, Range 17 West, NMPM:

Injection Well, Unit F, Section 1
Injection Well, Unit J, Section 1
Injection Well, Unit L, Section 1
Injection Well, Unit N, Section 1
Injection Well, Unit H, Section 2
Injection Well, Unit B, Section 12

(8) That Getty Oil Company is hereby authorized to operate the Getty Many Rocks Gallup Waterflood Project No. 3, Many Rocks-Gallup Oil Pool, San Juan County, New Mexico, in accordance with the following:

- A. Injection into the Getty Many Rocks Gallup Waterflood Project No. 3 shall be through the following described well in Section 35, Township 32 North, Range 17 West, NMPM:

Navajo "P" Well No. 6, Unit P

(9) That Shell Oil Company is hereby authorized to operate the Shell Carson Bisti Lower Gallup Waterflood Project, Bisti-Lower Gallup Oil Pool, San Juan County, New Mexico, in accordance with the following:

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- A. Injection into the Shell Carson Bisti Lower Gallup Waterflood Project shall be through the following described wells:

TOWNSHIP 25 NORTH, RANGE 11 WEST, NMPM

Section 7: No. 24-7;
Section 17: Nos. 1, 23-17, 24-17, 31-17, 43-17;
Section 18: Nos. 21-18, 22-18, 23-18, 24-18;
Section 19: Nos. 21-19, 22-19;
Section 20: Nos. 11-20, 23-20, 32-20, 41-20;
Section 30: No. 11-30;

TOWNSHIP 25 NORTH, RANGE 12 WEST, NMPM

Section 10: No. 31-10;
Section 11: Nos. 22-11, 23-11, 24-11;
Section 12: No. 13-12;
Section 13: Nos. 21-13, 22-13, 23-13, 24-13;
Section 14: Nos. 21-14, 22-14, 23-14, 24-14;
Section 15: No. 14-15;
Section 23: No. 21-23;
Section 24: Nos. 21-24, 23-24, 32-24;

In addition, Mudge 6 Lease Wells No. 12-16A and 14-16A, located in the SW/4 NW/4 and SW/4 SW/4, respectively, of Section 16, Township 25 North, Range 11 West, NMPM, are hereby approved for conversion to water injection, to form a water barrier between the Carson Unit Area and the acreage to the east thereof.

(10) That Suburban Propane Gas Company is hereby authorized to operate the Suburban Propane Northwest Cha Cha Waterflood Project, Cha Cha-Gallup Oil Pool, San Juan County, New Mexico, in accordance with the following:

- A. Injection into the Suburban Propane Northwest Cha Cha Gallup Waterflood Project shall be through the following described wells in Township 29 North, Range 14 West, NMPM:

Navajo "B" Well No. 3, Unit K, Section 21
Navajo "E" Well No. 2, Unit I, Section 21
Ojo Amarillo Well No. 2, Unit C, Section 27
Navajo L Well No. 1, Unit E, Section 26
Navajo L Well No. 4, Unit O, Section 26
Navajo L Well No. 5, Unit E, Section 36

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(11) That Tenneco Oil Company is hereby authorized to operate the Tenneco Lone Pine Dakota "D" Waterflood Project, Lone Pine-Dakota "D" Oil Pool, McKinley County, New Mexico, in accordance with the following:

A. Injection into the Tenneco Lone Pine Dakota "D" Waterflood Project shall be through the following described wells:

<u>Well</u>	<u>Unit</u>	<u>Section</u>	<u>Township</u>	<u>Range</u>
SFPRR No. 12	I	7	17N	8W
Lone Pine No. 1	D	19	17N	8W
Hospah No. 44	P	12	17N	9W
SFPRR No. 6	H	13	17N	9W
SFPRR No. 10	B	13	17N	9W

(12) That James P. Woosley is hereby authorized to operate the Woosley Many Rocks Gallup Waterflood Project No. 4, Many Rocks-Gallup Oil Pool, San Juan County, New Mexico, in accordance with the following:

A. Injection into the Woosley Many Rocks Gallup Waterflood Project No. 4 shall be through the following described wells in Township 32 North, Range 17 West, NMPM:

Injection Well, Unit D, Section 27
Injection Well, Unit O, Section 27
Injection Well, Unit I, Section 28

(13) That each of the above-described waterflood projects shall be operated in accordance with Rules 701, 702, and 703 of the Division Rules and Regulations.

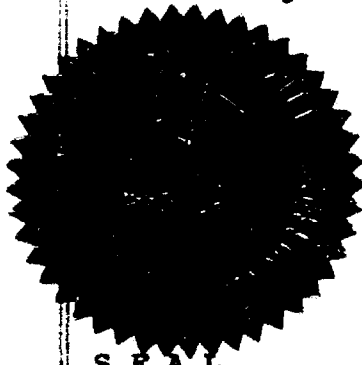
(14) That monthly reports concerning said waterflood projects shall be filed in accordance with Rule 1115 of the Division Rules and Regulations.

(15) That the injection wells herein authorized for each of the subject projects as well as such additional wells which have been previously authorized for pressure maintenance injection are hereby approved for injection purposes until further order of the Division.

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

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



S E A L

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


JOE D. RAMEY
Director

fd/

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
November 30, 1977

EXAMINER HEARING

IN THE MATTER OF:

The hearing called by the Oil
Conservation Commission on its own
motion to consider the reclassification
of pressure maintenance projects as
secondary recovery projects.

CASE
6092
and
6093

BEFORE: Daniel S. Nutter, Examiner.

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil
Conservation Commission:

Lynn Teschendorf, Esq.
Legal Counsel for the Commission
State Land Office Building
Santa Fe, New Mexico

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General Court Reporting Service
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
Phone (505) 982-9212

I N D E X

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1 MR. NUTTER: Call the next case, Case 6092, which
2 is in the matter of the hearing called by the Oil Conservation
3 Commission on its own motion to consider the reclassification
4 of certain pressure maintenance projects in southeast New
5 Mexico as secondary recovery projects.

6 We will also call at this time Case Number 6093,
7 which is in the matter of the hearing called by the Oil
8 Conservation Commission on its own motion to consider the
9 reclassification of certain maintenance projects in north-
10 west New Mexico as secondary recovery projects.

11 For the purpose of testimony we will consolidate
12 Case Number 6092 and Case Number 6093 and I'll call for
13 appearances.

14 MS. TESCHENDORF: Lynn Teschendorf, appearing on
15 behalf of the Commission and I have one witness, Mr. Stamets,
16 and I would like the record to reflect that he has previously
17 been sworn.

18 MR. NUTTER: Mr. Stamets is still under oath. Are
19 there other appearances in these two cases?

20 Would you please proceed?

21

22

RICHARD L. STAMETS

23 was called as a witness by the Commission, and having been
24 first duly sworn, testified upon his oath as follows, to-wit:

25

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DIRECT EXAMINATION

BY MS. TESCHENDORF:

Q Mr. Stamets, what is the history behind these two cases?

A Beginning with the January 1978, secondary recovery project reports, we are eliminating Form C-120, which is the old water flood report form and requiring that the injection information be shown on Form C-115. This is for simplicity and convenience and let us use the computer to keep track of projects for us and the Environmental Protection Agency.

Pressure maintenance projects, historically, have required a different report form from Form C-120 and most required calculations of voidage and projections of needed project allowable.

Now, many of the old pressure maintenance projects have long since passed their peak and are producing little or no primary oil and are, in fact, at this stage simply secondary recovery projects.

Filing of the special pressure maintenance project report in these cases is really a waste of time. I have asked our District Supervisors to identify such projects for me and contact the operator of those projects to make sure they had no objection to the reclassification of the same to water floods and they submitted the same to me and these

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1 were advertised for hearing today.

2 Q Do you have any exhibits showing these projects?

3 A Yes. I have already handed the Examiner Exhibit
4 Number One in both of these cases.

5 Q What does that exhibit show?

6 A The exhibit, the top half of the exhibit is for
7 southeast New Mexico and the bottom half is for northwest
8 New Mexico and reading left to right it shows the project
9 operator, the pool in which the project is located, and the
10 pressure maintenance project name, the order number which
11 authorized the project, the county in which it is located,
12 and it indicates whether there are special rules applicable
13 to the project, and what those rule numbers are.

14 And then, a proposed order number is in there simply
15 for the convenience of the Examiner. I would assume that
16 we would probably want to issue an order in these cases
17 which would redesignate the project and rescind the special
18 rules.

19 Now, for southeast New Mexico I have a couple of
20 projects with asterisks -- the first one an Amoco project
21 in Cato. It just simply points out that order R-3867 be
22 restated -- the special project rules and regulations.

23 There was an earlier, I think R-3867, established
24 the project but a later order established two projects and
25 gave us special rules for that particular project.

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1 The second one, Costal States gas project, the
2 original project was approved by one order and a later
3 order established the project with special rules and
4 regulations.

5 Moving on down into northwest New Mexico, the
6 first one listed is Atlantic Richfield and this is the only one
7 that has a rule that I really believe needs to be retained.

8 Rule 11, and it provides for approval of injection
9 and producing wells at orthodox and unorthodox locations.
10 The rest of these are general rules and regulations and
11 would grant them in all of the special rules that had been
12 provided for by the order.

13 The second one is the Dugan Production Corporation
14 Cha Cha project and that was established under one name
15 but subsequently a unit agreement was established and
16 changed the project name.

17 The last one is the Suburban Propane project and,
18 again, this was established with one name and a unit has
19 been established which is all Indian land in the unit and
20 resulted in the project being called by a different name.

21 Q Were there any errors in the exhibit as
22 advertised?

23 A The exhibit is correct. There was one error in
24 advertising in Case 6093. We did advertise the Tenneco
25 South Upper Hospah Project to be reclassified but on closer

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1 examination this was already classified as a water flood
2 and no change was needed.

3 Q I think you have already covered this but will you
4 repeat as to what you would recommend as to the order?

5 A Yes, I feel that we should issue probably a
6 series of orders reclassifying each of these projects as
7 secondary recover and rescind any special rules and regulations
8 with the exception of Rule 11 in the one case previously
9 mentioned, the Arco project in the Horseshoe Gallup, and
10 causing such projects to be subject to Rules 701, 2, 3 and
11 704, and this should be effective 1/1/78.

12 Q Do you have anything further?

13 A No, I don't.

14 Q Was Exhibit One in Cases 6092 and 6093 prepared by
15 you or under your supervision?

16 A It was.

17 MS. TESCHENDORF: We offer Exhibit One in both
18 cases.

19 MR. NUTTER: Exhibit Number One in Cases 6092 and
20 6093 will be admitted in evidence.

21

22 CROSS EXAMINATION

23 BY MR. NUTTER:

24 Q Mr. Stamets, as I understand it you are not
25 proposing to change any of the methods of operation of these

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1 projects, it is simply to reclassify them as secondary recovery
2 projects because they more appropriately fit that term
3 than a pressure maintenance at this time?

4 A That's correct.

5 Q And it would be easier to report secondary production
6 and injection rather than secondary recovery as a pressure
7 maintenance?

8 A That's right.

9 MR. NUTTER: Are there any questions of Mr. Stamets
10 on these cases?

11 Mr. Tully?

12 MR. TULLY: This is kind of a clarification thing.
13 If these are reclassified as secondary recovery projects
14 and then assuming that these 701, 702 -- 700 Series that
15 were previously before the Commission earlier in the day, then,
16 are we going to have to retroactively go back and file these
17 reports that you were talking about previously?

18 THE WITNESS: Mr. Tully, that would apply no matter
19 what they are classified as -- whether they continued to be
20 classified as pressure maintenance or if they are changed
21 over to secondary recovery. There would be no difference in
22 the application of the rules. The only difference would be
23 in the monthly reporting.

24 MR. NUTTER: Are there any other questions?

25 The witness may be excused. Does anyone have anything they

1 wish to offer in Case 6092 or 60937

2 We will take the cases under advisement.

3 (THEREUPON, the witness was excused and

4 the case was concluded.)

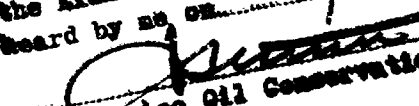
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REPORTER'S CERTIFICATE

I, SIDNEY F. MORRISH, 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 the same is a true and correct record
of the said proceedings to the best of my knowledge, skill and
ability.


Sidney F. Morrish, C.S.R.

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 6092-93
heard by me on 11/30, 1977.

New Mexico Oil Conservation Commission

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Dockets Nos. 39-77 and 1-78 are tentatively set for hearing on December 14, 1977 and January 4, 1978. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - NOVEMBER 30, 1977

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

The following cases will be heard before Daniel S. Nutter, Examiner, or Richard L. Stamets, Alternate Examiner:

CASE 6089: In the matter of the hearing called by the Oil Conservation Commission on its own motion to consider the amendment of Rules 701, 702, 703, 704, and 705 of the Commission Rules governing applications for approval of injection wells and projects, well construction and operations standards, reports and records requirements, and automatic termination of authorization for abandoned wells or projects.

Please see proposed rules enclosed.

CASE 6090: In the matter of the hearing called by the Oil Conservation Commission on its own motion to consider the amendment of Rule 107 of the Commission Rules to provide a requirement for the determination of cement tops outside all casing strings by means of temperature or mechanical surveys.

Please see proposed rule enclosed.

CASE 6091: In the matter of the hearing called by the Oil Conservation Commission on its own motion to consider the amendment of Rule 405 of the Commission Rules, the adoption of a new Rule 1131, and a new Form C-131, all for the purpose of reporting gas injections and withdrawals in underground natural gas storage projects.

Please see proposed rule and amended form enclosed.

CASE 6092: In the matter of the hearing called by the Oil Conservation Commission on its own motion to consider the reclassification of the following pressure maintenance projects as secondary recovery projects: The Amoco Baskett and Wasley Projects, and the Union Texas Baskett Project, all in Cato-San Andres Pool, Chaves County, New Mexico. The Amoco Horton Project, Milnesand-San Andres Pool, Roosevelt County, New Mexico. The Midwest Project, Nonombre-Pennsylvanian Pool, the Coastal States Flying "M" Project, Flying M-San Andres Pool, and the Mobil Vacuum Middle Penn Project, Vacuum-Middle Pennsylvanian Pool, all in Lea County, New Mexico. Also to be considered will be the amendment of the orders authorizing said projects to reflect the aforesaid reclassification.

CASE 6093: In the matter of the hearing called by the Oil Conservation Commission on its own motion to consider the reclassification of the following pressure maintenance projects as secondary recovery projects: The Atlantic Richfield Horseshoe Gallup Unit Project, the Energy Reserves Group Horseshoe Gallup Project No. 3 and Northeast Hogback Unit Project, and the Engineering and Production Services Horseshoe Gallup Project No. 2, all in Horseshoe Gallup Oil Pool, the Engineering and Production Services Many Rocks Gallup Project No. 1, Getty Many Rocks Gallup Project No. 3, and the J. P. Woosley Many Rocks Gallup Project No. 4, all in the Many Rocks-Gallup Oil Pool; the Dugan Central Cha Cha Project and the Suburban Propane Northwest Cha Cha Unit Project, both in Cha Cha-Gallup Oil Pool; and the Shell Carson Unit Project, Bisti-Gallup Oil Pool, all in San Juan County, New Mexico. The Terneco Lower Hospah Project, South Hospah-Lower Sand Oil Pool; South Upper Hospah Project, South Hospah-Upper Sand Oil Pool; and Lone Pine Dakota D Unit Project, Lone Pine Dakota D Oil Pool, all in McKinley County, New Mexico. Also to be considered will be the amendment of the orders authorizing said projects to reflect the aforesaid reclassification.

CASE 6094: In the matter of the hearing called by the Oil Conservation Commission on its own motion to consider the repeal of Commission Order No. 67 and the amendment of Rule 406 of the Commission Rules, both of which relate to carbon dioxide gas. The repeal of said Order 67 and the amendment of Rule 406 would be for the purpose of abolishing the existing special rules for carbon dioxide exploration, development, and processing, and placing such activities under the general rules of the Commission.

Dockets Nos. 39-77 and 1-78 are tentatively set for hearing on December 14, 1977 and January 4, 1978. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - NOVEMBER 30, 1977

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

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Please see proposed rule and amended form enclosed.

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CASE 6094: In the matter of the hearing called by the Oil Conservation Commission on its own motion to consider the repeal of Commission Order No. 67 and the amendment of Rule 406 of the Commission Rules, both of which relate to carbon dioxide gas. The repeal of said Order 67 and the amendment of Rule 406 would be for the purpose of abolishing the existing special rules for carbon dioxide exploration, development, and processing, and placing such activities under the general rules of the Commission.

Southeast New Mexico

Operator	Pool	Pressure Maintenance Project Name	Order	County	Special Rules	Proposed Order No.
*Amoco Prod. Co.	Cato-San Andres	Cato Baskett PM	R-3867	Chaves	Yes (1-10)	R-3867-C
" " "	" " "	Cato Wasley PM	R-3867B	Chaves	Yes (1-10+Order(9))	R-3867-C
" " "	Milnesand-San Andres	Milnesand Horton PM	R-3456	Roosevelt	Yes (1-11)	R-3456-A
" " "	Nonombre-Pennsylvanian	Midwest Nonombre PM	R-3071	Lea	None	R-3071-A
**Coastal St. Gas Prod. Co.	Flying "M"-San Andres	Flying "M"-San Andres PM	R-3229	Lea	Yes (1-11)	R-3229-A
Mobil Oil Corp.	Vacuum-Middle Pennsylvanian	Vacuum Middle Pennsylvanian	R-4688	Lea	None	R-4688-A
Union Tex. Pet. Corp.	Cato-San Andres	Baskett PM	R-4362	Chaves	Yes (1-10)	R-4362-A

*R-3867 B restated special project rules and regulations

**Original project approved by Order R-3033. R-3229 re-established the project with special rules and regulations.

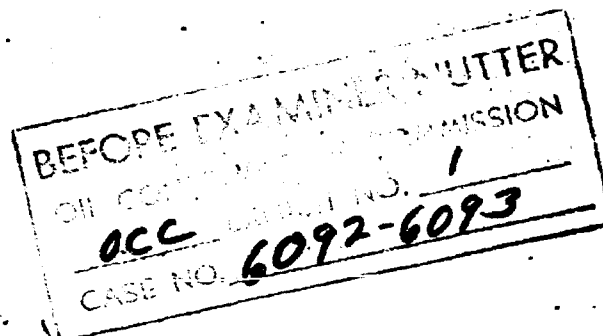
Northwest New Mexico

Operator	Pool	Pressure Maintenance Project Name	Order	County	Special Rules	Proposed Order No.
*Atlantic Richfield	Horseshoe-Gallup	Horseshoe Gallup Unit PM	R-2210	San Juan	Yes (1-11)	R-2210-B
**Dugan Prod. Corp.	Cha Cha-Gallup	Central Cha Cha Unit PM	R-2305	San Juan	Yes (1-11)	R-2305-A
Energy Reserves Group	Horseshoe-Gallup	Horseshoe Gallup PM No. 3	R-1876	San Juan	Yes (1-11)	R-1876-A
" " "	" " "	NE Hogback PM	R-2026	San Juan	Yes (1-11)	R-2026-A
Eng. & Prod. Serv. Inc.	" " "	Horseshoe Gallup PM No. 2	R-1745	San Juan	Yes (1-11)	R-1745-A
" " "	Many Rocks-Gallup	Many Rocks Gallup PM No. 1	R-2541	San Juan	Yes (1-11)	R-2541-A
Getty Oil Co.	" " "	Many Rocks Gallup PM No. 3	R-2664	San Juan	Yes (1-11)	R-2664-A
Shell Oil Co.	Bisti-Gallup	Carson Bisti-Lower Gallup PM	R-2065	San Juan	Yes (1-10)	R-2065-A
**Suburban Propane Gas Co.	Cha Cha-Gallup	Northwest Cha Cha Unit	R-2154	San Juan	Yes (1-11)	R-2154-A
Tenneco Oil Co.	South Hospah-Lower Sand	Lower Hospah PM	R-4389	McKinley	Yes (1-10)	R-4389-C
" " "	Lone Pine-Dakota "D"	Lone Pine Dakota "D" PM	R-4263	McKinley	Yes (1-10)	R-4262-A
James P. Woolley	Many Rocks-Gallup	Many Rocks-Gallup PM No. 4	R-2700	San Juan	Yes (1-11)	R-2700-A

*Rule 11 provides for approval of injection and producing wells at orthodox and unorthodox locations.

**Established as Cha Cha-Gallup PM Project. R-2512 established Central Cha Cha Unit.

***Established as Cha Cha-Gallup PM Project. All Indian land Unit subsequently established.



In the matter of the hearing called by the Oil Conservation Commission on its own motion to consider the reclassification of the following pressure maintenance projects as secondary recovery projects: The Atlantic Richfield Horseshoe Gallup Unit Project, the Energy Reserve Group Horseshoe Gallup Project No. 3 and Northeast Hogback Unit Project, and the Engineering and Production Services Horseshoe Gallup Project No. 2, all in Horseshoe Gallup Oil Pool, the Engineering and Production Services Many Rocks Gallup Project No. 1, Getty Many Rocks Gallup Project No. 3, and the J.P. Woolsey Many Rocks Gallup Project No. 4, all in the Many Rocks-Gallup Oil Pool, the Dugan Central Cha Cha Project and the Suburban Propane Northwest Cha Cha Unit Project, both in Cha Cha-Gallup Oil Pool, and the Shell Carson Unit Project, Bisti-Gallup Oil Pool, all in San Juan County, New Mexico. The Tennessee Lower Hoopah Project, South Hoopah-Lower Sand Oil Pool, South Hoopah Hoopah Project, South Hoopah-Upper Sand Oil Pool, and Lone Pine Dakota D^{Unit} Project, Lone Pine Dakota D Oil Pool, all in McKinley County, New Mexico. Also to be considered will be the amendment of the orders authorizing said projects to reflect the aforesaid reclassifications.

November 30, 1977

Case 6093

CASE NO. _____

NSP: SF
Gallup
Farmington

In the matter of the hearing called by
~~Application of the Oil Conservation Commission on its own~~
~~to consider the~~ *the following*
~~motion for reclassification of certain pressure maintenance~~
~~projects in McKinley and San Juan Counties, New Mexico as secondary~~
~~recovery projects:~~
~~To be considered will be the reclassification of the following~~
~~named projects in the following named pools from pressure~~
~~maintenance to secondary recovery:~~ ~~The Atlantic Richfield~~
~~Horseshoe Gallup Unit Project, in the Horseshoe-Gallup~~
~~Pool; the Dugan~~ ~~Central Chacha Pressure~~
~~Maintenance Project, Cha Cha-Gallup Pool; the Energy Reserves~~
~~Horseshoe Gallup Project No. 3 and Northeast Hogback Unit~~
~~Project, in the Horseshoe Gallup Pool; the Engineering and Production~~
~~Horseshoe Gallup Project No. 2, in the Horseshoe~~
~~Gallup Pool, and the Many Rocks Gallup Project No. 1, in the Many~~
~~Rocks-Gallup Pool; Getty~~ ~~Many Rocks Gallup Project~~
~~No. 3, in the Many Rocks-Gallup Pool; the Shell~~ ~~Carson~~
~~Unit Project, in the Bisti-Gallup Pool; the Suburban Propane~~
~~Northwest Cha Cha Unit Project, in the Cha Cha-Gallup Pool;~~
~~and the James B. Hensley Many Rocks Gallup Project No. 1,~~
~~in the Many Rocks-Gallup Pool, all in San Juan County, New Mexico.~~
~~The Tenneco Oil Company Lower Hospah Project in the South Hospah~~
~~Lower Sand Pool, the South Upper Hospah Project in the South~~
~~Hospah-Upper Sand Pool, and the Lone Pine Dakota D Unit Project~~
~~in the Lone Pine Dakota D Unit Project in the Lone Pine-Dakota~~
~~D Pool; all in McKinley County, New Mexico. Also to be considered~~
~~will be the amendment of the orders authorizing said projects~~
~~to reflect the aforesaid reclassifications.~~

NW case

Application of the Oil Conservation Commission on its own motion for reclassification of certain pressure maintenance projects in McKinley and San Juan Counties, New Mexico. To be considered will be the reclassification of the following named projects in the following named pools from pressure maintenance to secondary recovery:

The Atlantic Richfield Company ~~the~~ Horseshoe Gallup Unit Project in the Horseshoe-Gallup Pool; The Dugan Production Company Central Cha Cha Pressure Maintenance Project Cha Cha-Gallup Pool; Energy Reserves Group, Inc. ~~Horseshoe~~ Horseshoe Gallup Project ~~No 3~~ ~~Horseshoe-Gallup Pool~~ and the No 3 and Northeast Hogback Unit Project in the Horseshoe Gallup Pool; The Engineering and Production Services Inc. Horseshoe Gallup Project No 2 in the Horseshoe Gallup Pool, and the Many Rocks Gallup Project No 1 in the Many Rocks-Gallup Pool; The Getty Oil Co. Many Rocks Gallup Project No 3 in the Many Rocks-Gallup Pool; The Shell Oil Co. Carson Unit Project in the Bisti-Gallup Pool; The Suburban Propane Gas Co. Northwest Cha Cha Unit Project in the Cha Cha-Gallup Pool; The Tenneco ^{oil company} Lower Hoshah Project in the South Hoshah-Lower Sand Pool, the South ^{upper} Hoshah ~~Upper Sand~~ Project in the South Hoshah-Upper Sand Pool, and the Lone Pine Dakota D Unit Project in the Lone Pine-Dakota D Pool; and

3.086

The James P. Woosley Many Rocks Gallup
Project No 4 in the Many Rocks -
Gallup Pool. Further ~~to~~ to be considered
will be the amendment of ~~the~~ orders
Commission Orders authorizing said projects.

ROUGH

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF AN
CONSIDERING ITS OWN MOTION
TO CONSIDER THE RECLASSIFICATION
OF CERTAIN PRESSURE
MAINTENANCE PROJECTS IN
SAN JUAN AND MCKINLEY COUNTIES,
NEW MEXICO, AS SECONDARY
RECOVERY PROJECTS.

CASE NO. 6093

Order No. R-6172

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 9 a.m. on November 30,
19 77, at Santa Fe, New Mexico, before Examiner _____.

NOW, on this _____ day of November, 19 79, the
Division Director, 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 Division has jurisdiction of this cause and the
subject matter thereof.

(2) That the Oil Conservation Division
heretofore authorized the following Northwest
New Mexico pressure maintenance projects
in the named pools by the designated order:

PROJECT

POOL

ORDER NO.

(2) That the Oil Conservation Division heretofore authorized the following Northwest New Mexico pressure maintenance projects in the named pools by the designated order:

PROJECT	POOL	ORDER NO.
Atlantic Horseshoe Gallup	Horseshoe-Gallup	R-2210
Dugan Central Cha Cha Unit	Cha Cha-Gallup	R-2305
Energy Reserves Horseshoe Gallup No. 3	Horseshoe-Gallup	R-1876
Energy Reserves NE Hogback	Horseshoe-Gallup	R-2026
Eng. & Prod. Serv. Horse-shoe Gallup No. 2	Horseshoe-Gallup	R-1745
Eng. & Prod. Serv. Many Rocks Gallup No. 1	Many Rocks-Gallup	R-2541
Geely Many Rocks Gallup No. 3	Many Rocks-Gallup	R-2664
Shell Carson Bisti	Bisti-Gallup	R-2065
Suburban NW Cha Cha	Cha Cha-Gallup	R-2154
Terres-Lower Hopak	S. Hopak-Lower Sand	R-4389
Terres Lone Pine DK'D	Lone Pine Dakota D	R-4263
Woosley Many Rocks Gallup No. 4	Many Rocks-Gallup	R-2700

even though some of the subject projects may not at this time be active projects, or even though some of the originally authorized injection wells may no longer be on active injection.

(3) That each of the above-named pressure maintenance projects has declined to the point where it can no longer be correctly classified as a "pressure maintenance" project but can be correctly classified as a "secondary recovery" project.

(4) That due to certain recent changes in the rules governing reports, the reporting of injection and production is less complicated and time-consuming to operators of secondary recovery projects than is the similar reporting for pressure maintenance projects.

(5) That the processing of data relating to secondary recovery projects by the Oil Conservation Division of the New Mexico Energy and Minerals Department for the purpose of maintaining production records is less time-consuming than is the processing of similar data for pressure maintenance projects.

(6) That the reclassification of the pressure maintenance projects named in Finding No. (2) above as secondary recovery projects will result in a saving of time and effort by both the operators of the projects and by the Division in reporting and processing data relating to the projects, thereby preventing waste, and that said reclassification will not impair correlative rights.

(7) That the reclassification of said projects can most easily be carried out by rescinding the orders authorizing said projects as pressure maintenance projects and reauthorizing said projects as secondary recovery projects, subject to any particular rules previously promulgated for said projects which would still be applicable.

(8) That portions of Order No. R-2210, as amended by R-2210-A and R-2210-B, which authorized the Atlantic Refining Company (Richfield) Horseshoe Gallup Unit Pressure Maintenance Project should be rescinded and approval given for the Atlantic Horseshoe Gallup waterflood Project.
 (9) That Order No. R-2305 which authorized the Dugan Central Cha Cha Unit Pressure Maintenance Project should be rescinded and approval given for the Dugan Central Cha Cha Unit waterflood Project.
 [Signature]

- (10) That Order No. R-1876 which authorized the Energy Reserves Group Horseshoe Gallup Pressure Maintenance Project No. 3 should be rescinded and approval given to the Energy Reserves Group Horseshoe Gallup Water flood Project No. 3.
- (11) That Order No. R-2026 which authorized the Energy Reserves Group Northeast Hogback Pressure Maintenance Project should be rescinded and approval given to the Energy Reserves Group Northeast Hogback Water flood Project.
- (12) That Order No. R-1745 which authorized the Engineering and Production Service Horseshoe Gallup Pressure Maintenance Project ^{No. 2} should be rescinded and approval given to the Engineering and Production Service Horseshoe Gallup Water flood Project No. 2.
- (13) That Order No. R-2541 which authorized the ^{Engineering and Production Service} Many Rocks Gallup Pressure Maintenance Project No. 1 should be rescinded and approval given for the Engineering and Production Service Many Rocks ^{Gallup} Water flood Project No. 1.
- (14) That Order No. R-2664 which authorized the ~~Many Rocks~~ Getty ~~Est~~ Many Rocks ~~Est~~ Gallup Pressure Maintenance Project ^{No. 3} should be rescinded and approval given to the Getty Many Rocks Gallup Water flood Project No. 3.
- (15) That Order No. R-2065 which authorized the Shell Carson Bisti Lower Gallup Pressure Maintenance Project should be rescinded and approval given to the Shell Carson Bisti Lower Gallup Water flood Project.
- ~~(16)~~

- (16) That Order No. R-2154 which authorized the Suburban Propane Northwest Chacha Pressure Maintenance Project should be rescinded and approval given to the Suburban Propane Northwest Chacha Waterflood Project.
- (17) That Order No. R-4263 which authorized the Tennesco Lone Pine Dakota "D" Pressure Maintenance Project should be rescinded and approval given to the Tennesco Lone Pine Dakota "D" Waterflood Project.
- (18) That Order No. R-2700 which authorized the James P. Woosley Many Rocks Gallup Pressure Maintenance Project No. 4 should be rescinded and approval given to the Woosley Many Rocks Gallup Waterflood Project No. 4.

IT IS THEREFORE ORDERED:

Order No. R-2210, Order No. (2) of Division, Order No. R-2210-A, and Division Order No. R-2219, and

- (1) That Order No. (2) of Division A R-2305, R-1876, R-2026, R-1745, R-2541, R-2664, R-2065, R-2154, R-4263, and R-2700 are hereby rescinded.

- (2) That The Atlantic Refining Company is hereby authorized to operate the Atlantic Horseshoe Gallup Waterflood Project, Horseshoe-Gallup Oil Pool, San Juan County, New Mexico, in accordance with the following:

A. The ~~Secretary-Director~~ Division Director is hereby authorized to approve such additional producing wells and injection wells at orthodox and unorthodox locations within the boundaries of the Horseshoe-Gallup Unit Area as may be necessary to complete an efficient production and injection pattern, provided said wells are drilled no closer than 330 feet to the outer boundary of said unit nor closer than 10 feet to any quarter-section or subdivision inner boundary. To obtain such approval, the project operator shall file proper application with the ~~Commission~~ Division, which application, if it seeks authorization to convert additional wells to injection or to drill additional production or injection wells shall include the following:

(5)

- (1) A plat showing the location of proposed well, all wells within the project area, and offset operators, locating wells which offset the project area.
- (2) A schematic drawing of the proposed well which fully describes the casing, tubing, perforated interval, and depth.
- (3) A letter stating that all offset operators to the proposed well have been furnished a complete copy of the application and the date of notification.

The ~~Secretary~~-Director may approve the proposed well if, within 20 days after receiving the application, no objection to the proposal is received. The ~~Secretary~~-Director may grant immediate approval, provided waivers of objection are received from all offset operators.

Expansion of the project area may be approved by the ~~Division Secretary~~-Director ~~of the Commission~~ administratively when good cause is shown therefor.

(3) That Dugan Production Company is hereby authorized to operate the Dugan Central Cha Cha Unit waterflood Project, Cha Cha-Gallup Oil Pool, San Juan County, New Mexico, in accordance with the following:

- A. Injection in the Central Cha Cha Unit Project shall be through the following described wells in Section 31, Township 29 North, Range 13 West, NMAM:
Callow "B" Well No. 1, Unit K
Callow "B" Well No. 2, Unit I

(4) That Energy Reserves Group is hereby authorized to operate the Energy Reserves Group Horseshoe-Gallup waterflood Project No. 3, Horseshoe-Gallup Oil Pool, San Juan County, New Mexico, in accordance with the following:

- A. Injection ~~also~~ in the Horseshoe Gallup Waterflood Project No. 3 shall be through the following described wells in Section 5, Township 31 North, Range 17 West, NMAM:
Navajo Well No. 4-5, Unit M

(5) That Energy Reserves Group is hereby authorized to operate the Energy Reserves Group Northeast Hogback waterflood Project, Horseshoe-Gallup

6

Oil Pool, San Juan County, New Mexico, in accordance with the following:

A. Injection into the Northeast Hogback Waterflood Project shall be through the following described wells in Township 30 North, Range 16 West, N.M.H.:

Northeast Hogback Unit Well No. 4, Unit J, Section 14
Northeast Hogback Unit Well No. 6, Unit B, Section 15
Northeast Hogback Unit Well No. 10, Unit E, Section 14
Northeast Hogback Unit Well No. 11, Unit F, Section 14
Northeast Hogback Unit Well No. 13, Unit E, Section 13
Northeast Hogback Unit Well No. 14, Unit I, Section 14
Northeast Hogback Unit Well No. 16, Unit K, Section 13
Northeast Hogback Unit Well No. 17, Unit M, Section 13
Northeast Hogback Unit Well No. 20, Unit B, Section 24
Northeast Hogback Unit Well No. 21, Unit D, Section 15
Northeast Hogback Unit Well No. 22, Unit G, Section 15
Northeast Hogback Unit Well No. 23, Unit B, Section 10
Northeast Hogback Unit Well No. 25, Unit D, Section 11
Northeast Hogback Unit Well No. 29, Unit F, Section 11
Northeast Hogback Unit Well No. 30, Unit L, Section 10
Northeast Hogback Unit Well No. 32, Unit L, Section 11
Northeast Hogback Unit Well No. 37, Unit P, Section 10

Williams Well No. 2, Unit P, Section 11
Williams Well No. 3, Unit J, Section 11

Federal Well No. 3, Unit B, Section 14

(6) Engineering and Production Service Inc., is hereby
Authorized to operate the ^{Energy and Production Service} Horseshoe Gallup
waterflood Project No. 2, Horseshoe-Gallup Oil
Pool, San Juan County, New Mexico, in accordance
with the following:

A. Injection into the Engineering and Production
Service ~~and~~ Horseshoe Gallup waterflood
Project No. 2 shall be through the following
described wells in Township 31 North, Range
17 West, NMPM:

Navajo "F"	Well No. 1,	Unit D,	Section 4
Navajo "F"	Well No. 3,	Unit L,	Section 4
Navajo "F"	Well No. 8,	Unit E,	Section 10
Navajo "F"	Well No. 9,	Unit K,	Section 10
Navajo "F"	Well No. 11,	Unit I,	Section 10
Navajo "F"	Well No. 14,	Unit M,	Section 10
Navajo "F"	Well No. 15,	Unit J,	Section 9
Navajo "F"	Well No. 17,	Unit G,	Section 10
Navajo "F"	Well No. 18,	Unit C,	Section 10
Navajo "F"	Well No. 21,	Unit D,	Section 10
Navajo "F"	Well No. 22,	Unit H,	Section 9
Navajo "F"	Well No. 23,	Unit B,	Section 9
Navajo "F"	Well No. 24,	Unit P,	Section 4
Navajo "F"	Well No. 25,	Unit N,	Section 4
Navajo "F"	Well No. 27,	Unit J,	Section 4
Navajo "F"	Well No. 28,	Unit F,	Section 4
Navajo "F"	Well No. 31,	Unit N,	Section 3
Navajo "F"	Well No. 32,	Unit L,	Section 3
Navajo "F"	Well No. 33,	Unit D,	Section 9
Navajo "F"	Well No. 34,	Unit F,	Section 9
Navajo "F"	Well No. 36,	Unit A,	Section 10
Navajo "F"	Well No. 38,	Unit H,	Section 4
Navajo "F"	Well No. 40,	Unit P,	Section 9
Navajo "F"	Well No. 43,	Unit O,	Section 3
Navajo "F"	Well No. 44,	Unit O,	Section 10
Navajo "G"	Well No. 3,	Unit K,	Section 11
Navajo "G"	Well No. 4,	Unit M,	Section 11
Navajo "G"	Well No. 5,	Unit O,	Section 11
Navajo "G"	Well No. 6,	Unit E,	Section 11

(7)

(7) That Engineering and Production Services, Inc., is hereby authorized to operate the Engineering and Production Service Many Rocks Gallup Waterflood Project No. 1, Many Rocks-Gallup Pool, San Juan County, New Mexico, in accordance with the following:

A. Injection into the Engineering and Production Service Many Rocks Gallup Waterflood Project shall be through the following-described wells in Township ³¹ North, Range 17 West, NMPM:

Injection Well, Unit F, Section 1

" " Unit J, Section 1

" " Unit L, Section 1

" " Unit N, Section 1

" " Unit H, Section 2

" " Unit B, Section 12

(8) That Getty Oil Company is hereby authorized to operate the Getty Many Rocks Gallup Waterflood Project No. 3, Many Rocks-Gallup Oil Pool, San Juan County, New Mexico, in accordance with the following:

A. Injection into the Getty Many Rocks Gallup Waterflood Project ^{No. 3} ~~shall Many Rocks-Gallup Oil Pool, San Juan County, New Mexico,~~ shall be through the following described ~~well~~: well in Section 35, Township 32 North, Range 17 West, ~~town~~ NMPM:

Navajo "P" Well No. 6, Unit P

(9) That Tucc Oil Company is hereby authorized to operate the Sheel Carson Bisti Lower Gallup Waterflood Project, Bisti-Lower Gallup Oil Pool, San Juan County, New Mexico, in accordance with the following:

A. Injection into the Shell Carson Bisti Lower Gallup Waterflood Project shall be through the following described wells:

TOWNSHIP 25 NORTH, RANGE 11 WEST, NMPM

Section 7: No. 24-7;
 Section 17: Nos. 1, 23-17, 24-17, 31-17, 43-17;
 Section 18: Nos. 21-18, 22-18, 23-18, 24-18;
 Section 19: Nos. 21-19, 22-19;
 Section 20: Nos. 11-20, 23-20, 32-20, 41-20;
 Section 30: No. 11-30;

TOWNSHIP 25 NORTH, RANGE 12 WEST, NMPM

Section 10: No. 31-10;
 Section 11: Nos. 22-11, 23-11, 24-11;
 Section 12: No. 13-12;
 Section 13: Nos. 21-13, 22-13, 23-13, 24-13;
 Section 14: Nos. 21-14, 22-14, 23-14, 24-14;
 Section 15: No. 14-15;
 Section 23: No. 21-23;
 Section 24: Nos. 21-24, 23-24, 32-24;

In addition, Mudge 6 Lease Wells No. 12-16A and 14-16A, located in the SW/4 NW/4 and SW/4 SW/4, respectively, of Section 16, Township 25 North, Range 11 West, NMPM, are hereby approved for conversion to water injection, to form a water barrier between the Carson Unit Area and the acreage to the east thereof.

(10) That Suburban Propane Gas Company is hereby authorized to operate the Suburban Propane Northwest Cha Cha Waterflood Project, Cha Cha-Gallup Oil F. C., San Juan County, New Mexico, in accordance with the following:

A. Injection into the Suburban Propane ^{Northwest} Cha Cha Gallup Waterflood Project shall be through the following described wells in Township 29 North, Range 14 West, NMPM:

Navajo "B" Well No. 3, Unit K, Section 21
 Navajo "E" Well No. 2, Unit I, Section 21
 Ojo Amarillo Well No. 2, Unit C, Section 27
 Navajo L Well No. 1, Unit E, Section 26
 Navajo L Well No. 4, Unit D, Section 26
 Navajo L Well No. 5, Unit E, Section 36

(11) That Tenneco Oil Company is hereby Authorized to operate the Tenneco Lone Pine Dakota "D" Waterflood Project, Lone Pine-Dakota "D" Oil Pool, McKinley County, New Mexico, in accordance with the following:

A. Injection into the Tenneco Lone Pine Dakota "D" Waterflood Project shall be through the following described wells:

<u>Well</u>	<u>Unit</u>	<u>Section</u>	<u>Township</u>	<u>Range</u>
SFPRR No. 12	I	7	17 N	8 W
Lone Pine No. 1	D	19	17 N	8 W
Hoopah No. 44	P	12	17 N	9 W
SFPRR No. 6	H	13	17 N	9 W
SFPRR No. 10	B	13	17 N	9 W

(12) That James P. Woolley is hereby Authorized to operate the Woolley Many Rocks Hallup Waterflood Project, Many Rocks-Hallup Oil Pool, San Juan County, New Mexico, in accordance with the following:

A. Injection into the Woolley Many Rocks Hallup Waterflood Project, shall be through the following described wells in Township 32 North, Range 17 West, NMPM:

Injection Well, Unit D, Section 27
 Injection Well, Unit O, Section 27
 Injection Well, Unit I, Section 28

(13) That each of the above-described waterflood projects shall be operated in accordance with Rules 701, 702, and 703 of the Division Rules and Regulations.

(14) That monthly reports concerning said waterflood projects shall be filed in accordance with Rule 1115 of the Division Rules and Regulations.

(15) 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 DIVISION

PHIL R. LUCERO, Chairman

EMERY C. ARNOLD, Member

JOE D. RAMEY, Member and Division Director

(15) That the injection wells herein authorized for each of the subject projects as well as such additional wells which have been previously authorized for pressure maintenance injection are heretofore approved for injection purposes until further order of the Division.