

Entered March 19, 1959
A.L.P.

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. 1294
Order No. R-1053-C

APPLICATION OF AMBASSADOR OIL
CORPORATION FOR AN ORDER AUTHORIZING
CAPACITY ALLOWABLES FOR THREE WELLS
IN THE WATER FLOOD PROJECT AREA OF
ITS NORTH CAPROCK-QUEEN UNIT NO. 2 IN
THE CAPROCK-QUEEN POOL, LEA AND CHAVES
COUNTIES, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on March 11, 1959, at Santa Fe, New Mexico, before Daniel S. Nutter, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 11th. day of March, 1959, the Commission, a quorum being present, having considered the application, the evidence adduced and the recommendations of the Examiner, Daniel S. Nutter, 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, Ambassador Oil Corporation, is the operator of the North Caprock-Queen Unit No. 2 water flood project in the Caprock-Queen Pool, Lea and Chaves Counties, New Mexico, which project was authorized by Commission Order No. R-1053.

(3) That the said North Caprock-Queen water flood project has caused an increase in the producing capacity of three wells in the project area to the extent that they are now or soon will be capable of producing in excess of the top unit allowable for the Caprock-Queen Pool.

(4) That permission is sought to produce the following-described wells at capacity, on the ground that the production from a water flood project cannot be curtailed without causing a reduction in the ultimate recovery of oil:

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Well No. 18-2, NE/4 SE/4, Section 12,
Township 13 South, Range 31 East, Chaves
County, New Mexico.

Well No. 22-1, SW/4 SE/4, Section 12,
Township 13 South, Range 31 East, Chaves
County, New Mexico.

Well No. 19-1, SW/4 NW/4, Section 7,
Township 13 South, Range 32 East, Lea
County, New Mexico.

(5) That the entire record in Cases Nos. 1195 and 1433 was incorporated by reference into the record of the subject case.

(6) That the preponderance of the evidence presented in this case indicates that waste might occur if the production from the above-described wells is restricted.

(7) That the application should be approved.

IT IS THEREFORE ORDERED:

(1) That the following-described wells be and the same are hereby granted an allowable equal to their capacity to produce:

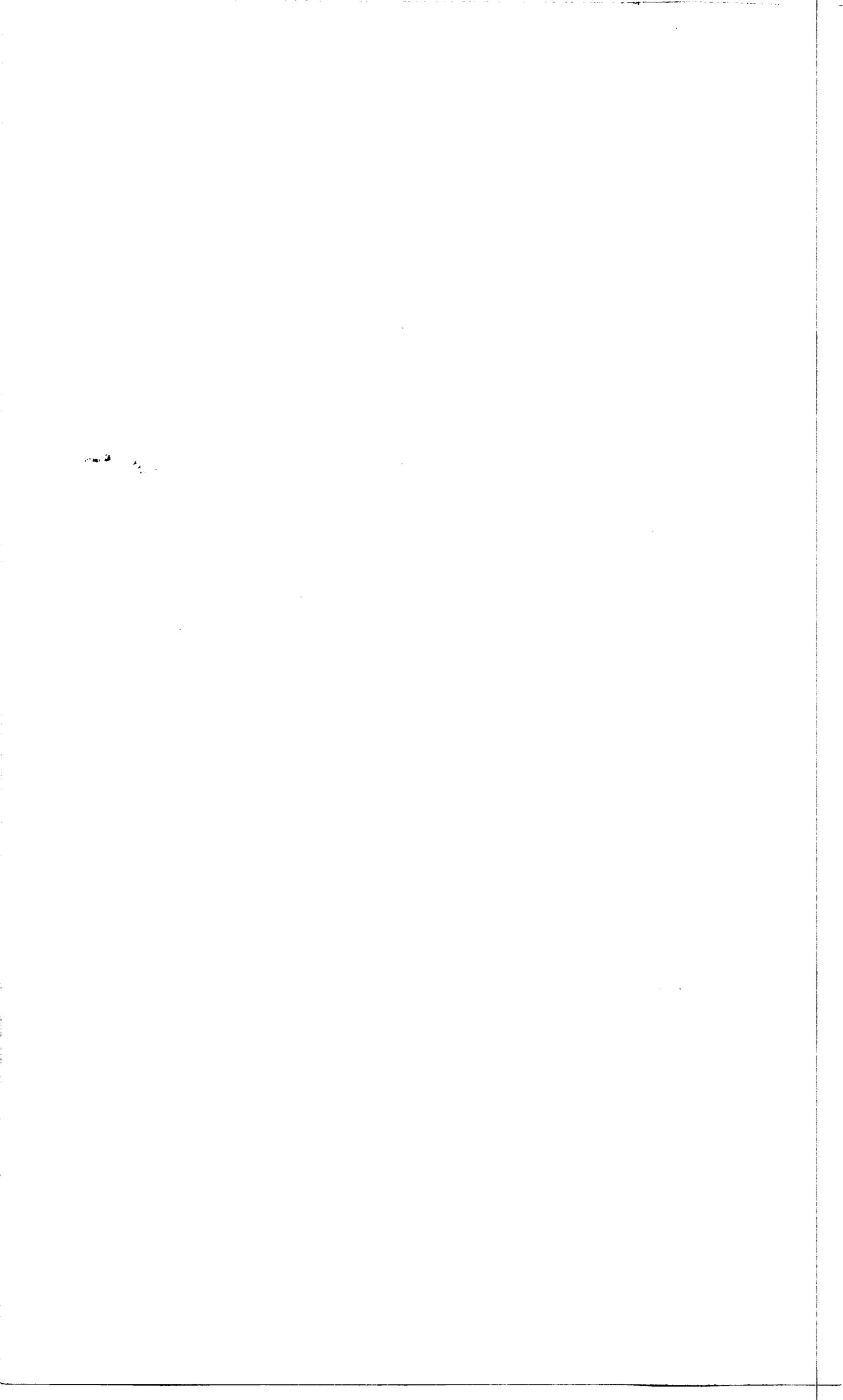
Well No. 18-2, NE/4 SE/4, Section 12,
Township 13 South, Range 31 East, Chaves
County, New Mexico.

Well No. 22-1, SW/4 SE/4, Section 12,
Township 13 South, Range 31 East, Chaves
County, New Mexico.

Well No. 19-1, SW/4 NW/4, Section 7,
Township 13 South, Range 32 East, Lea
County, New Mexico.

(2) That this order shall become effective at 7 o'clock a.m., Mountain Standard Time, March 11, 1959.

(3) That the Commission hereby retains jurisdiction of this cause to amend or revoke all or any part of this order, and,



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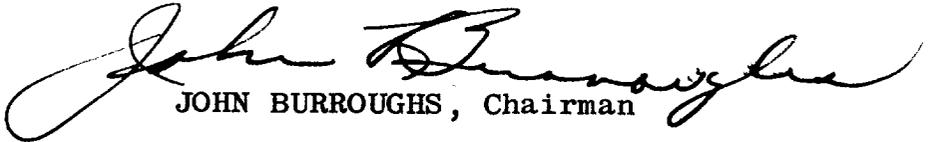
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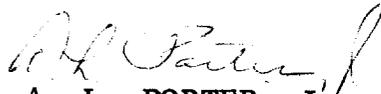
further, to enter any additional order or orders deemed necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


JOHN BURROUGHS, Chairman


MURRAY E. MORGAN, Member


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

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