

Entered Case 21, 1962
A.P.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. 2557
Order No. R-2248

APPLICATION OF GULF OIL CORPORATION
FOR APPROVAL OF A UNIT AGREEMENT AND
A WATERFLOOD PROJECT, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on May 10, 1962, 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 4th day of June, 1962, 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, Gulf Oil Corporation, seeks approval of the West Dollarhide Devonian Unit Agreement, embracing 765 acres, more or less, of Federal and State lands in Townships 24 and 25 South, Range 38 East, NMPM, Lea County, New Mexico.
- (3) That the proposed unit plan will in principle tend to promote the conservation of oil and gas and the prevention of waste.
- (4) That the applicant further seeks permission to institute a waterflood project in the proposed West Dollarhide Devonian Unit Area by the injection of water into the Devonian formation through 9 wells located therein; applicant proposes to operate the waterflood project under the provisions of Rule 701.
- (5) That the wells in the proposed waterflood project have reached an advanced stage of depletion and should be classified as "stripper" wells.

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(6) That approval of the subject application will neither cause waste nor impair correlative rights.

IT IS THEREFORE ORDERED:

(1) That the West Dollarhide Devonian Unit Agreement is hereby approved.

PROVIDED HOWEVER, That notwithstanding any of the provisions contained in said unit agreement, this approval shall not be considered as waiving or relinquishing, in any manner, any right, duty, or obligation which is now, or may hereafter be, vested in the New Mexico Oil Conservation Commission by law relative to the supervision and control of operations for exploration and development of any lands committed to said West Dollarhide Devonian Unit Agreement, or relative to the production of oil and gas therefrom.

(2) That the unit area shall be:

TOWNSHIP 24 SOUTH, RANGE 38 EAST, NMPM
LEA COUNTY, NEW MEXICO

Section 32: SE/4 NE/4 and E/2 SE/4

Section 33: Lots 1, 2, 3 and 4, E/2 NW/4,
SW/4 NW/4, and SW/4

TOWNSHIP 25 SOUTH, RANGE 38 EAST, NMPM
LEA COUNTY, NEW MEXICO

Section 4: Lots 1 and 4, NW/4 and NW/4 SW/4

Section 5: N/2 NE/4 and NE/4 SE/4

containing 765 acres, more or less.

(3) That the unit operator shall file with the Commission an executed original or executed counterpart of the unit agreement within 30 days after the effective date thereof. In the event of subsequent joinder by any party, the unit operator shall file with the Commission within 30 days after such action counterparts of the unit agreement reflecting the subscription of those interests having joined or ratified.

(4) That this order shall become effective upon the approval of said unit agreement by the Commissioner of Public Lands for the State of New Mexico and the Director of the United States Geological Survey, and shall terminate ipso facto upon the termination of said unit agreement. The last unit operator shall notify the Commission in writing of such termination.

(5) That Gulf Oil Corporation is hereby authorized to institute a waterflood project in the West Dollarhide Devonian Unit Area

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by the injection of water into the Devonian formation through the following-described wells:

Harry Leonard (NCT-G) Well No. 2, located in Unit D,
Section 4, Township 25 South, Range 38 East;

Harry Leonard (NCT-G) Well No. 5, located in Unit N,
Section 33, Township 24 South, Range 38 East;

Harry Leonard (NCT-G) Well No. 7, located in Unit L,
Section 33, Township 24 South, Range 38 East;

Harry Leonard (NCT-G) Well No. 9, located in Unit F,
Section 4, Township 25 South, Range 38 East;

Harry Leonard (NCT-G) Well No. 1, located in Unit C,
Section 33, Township 24 South, Range 38 East,

State Y Well No. 1, located in Unit H, Section 32,
Township 24 South, Range 38 East;

Mexico J Well No. 24, located in Unit P, Section 32,
Township 24 South, Range 38 East;

Mexico L. Well No. 22, located in Unit B, Section 5,
Township 25 South, Range 38 East; and

Penny Federal Well No. 2, located in Unit L, Section
4, Township 25 South, Range 38 East.

(6) That the subject waterflood project shall be governed by the provisions of Rule 701.

(7) 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 herein-
above designated.

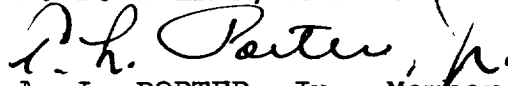
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



EDWIN L. MECHEM, Chairman



E. S. WALKER, Member



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

S E A L

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