

*Entered June 1, 1966
C.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. 3408
Order No. R-3072

APPLICATION OF MARATHON OIL COMPANY
FOR A WATERFLOOD PROJECT, EDDY COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on May 25, 1966,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 1st day of June, 1966, 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, Marathon Oil Company, seeks permis-
sion to institute a waterflood project in the Shugart Pool by the
injection of water into the Queen formation through three injec-
tion wells in Sections 10 and 15, Township 18 South, Range 31
East, NMPM, Eddy County, New Mexico.

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

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

(5) That the subject application should be approved and
the project should be governed by the provisions of Rules 701,
702, and 703 of the Commission Rules and Regulations.

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IT IS THEREFORE ORDERED:

(1) That the applicant, Marathon Oil Company, is hereby authorized to institute a waterflood project in the Shugart Pool by the injection of water into the Queen formation through the following-described wells in Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico:

Marathon's Federal Johnson A Well No. 2, located
in the SW/4 SE/4 of Section 10;

Marathon's Federal Johnson A Well No. 4, located
in the NE/4 SE/4 of Section 10;

Marathon's Federal Johnson B A/C 2 Well No. 2,
located in the NE/4 NW/4 of Section 15.

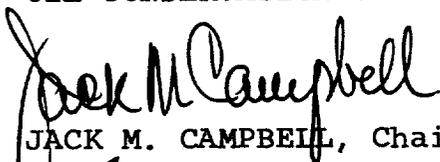
(2) That the subject waterflood project is hereby designated the Shugart Johnson Waterflood Project and shall be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

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

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

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

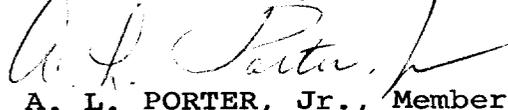
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



JACK M. CAMPBELL, Chairman



GUYTON B. HAYS, Member



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

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