

*Entered May 28, 1969
A.S.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. 4138
Order No. R-3769

APPLICATION OF ATLANTIC RICHFIELD
COMPANY FOR A WATERFLOOD PROJECT
AND UNORTHODOX INJECTION WELL LOCA-
TION, EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on May 21, 1969,
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 28th day of May, 1969, 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, Atlantic Richfield Company, seeks
permission to institute a waterflood project in its East Shugart
Unit Area, Shugart Pool, by the injection of water into the Yates
and Queen formations through 10 injection wells in Sections 27,
34, and 35, Township 18 South, Range 31 East, NMPM, Eddy County,
New Mexico, and through the following-described well which is to
be drilled at an unorthodox location:

East Shugart Unit Well No. 32, to be located
100 feet from the South line and 990 feet from
the West line of said Section 35.

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(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.

IT IS THEREFORE ORDERED:

(1) That the applicant, Atlantic Richfield Company, is hereby authorized to institute a waterflood project in its East Shugart Unit Area, Shugart Pool, by the injection of water into the Yates and Queen formations through the following-described wells in Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico:

<u>Well</u>	<u>No.</u>	<u>Unit</u>	<u>Section</u>	<u>New Unit Well No.</u>
Atlantic Richfield Co. Hinkle "B"	3	P	27	1
Atlantic Richfield Co. Hinkle "A"	13	A	34	3
Atlantic Richfield Co. Hinkle "B"	5	F	34	15
Atlantic Richfield Co. Hinkle "A"	3	I	34	19
Atlantic Richfield Co. Hinkle "B"	6	L	34	16
Atlantic Richfield Co. Hinkle "B"	1	N	34	29
Cities Service Oil Co. Hinkle "A"	1	O	34	28
Atlantic Richfield Co. Hinkle "A"	12	C	35	6
Atlantic Richfield Co. Hinkle "B"	4	J	35	22
Atlantic Richfield Co. Hinkle "B"	7Y	O	35	23

East Shugart Unit Well No. 32 to be drilled
at an unorthodox location 100' FSL and 990' FWL - Section 35

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

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(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


DAVID F. CARGO, Chairman


ALEX J. ARRIAGA, Member


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

S E A L

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