

APPLICATION OF AMBASSADOR OIL CORPORATION
TO EXPAND ITS NORTH CAPROCK QUEEN UNIT NO.
2, WATER FLOOD PROJECT IN THE CAPROCK-
QUEEN POOL IN LEA AND CHAVES COUNTIES, NEW
MEXICO.

ADMINISTRATIVE ORDER
WFX 1

ADMINISTRATIVE ORDER
OF THE OIL CONSERVATION COMMISSION

Under the provisions of Order R-1053-B Ambassador Oil Corporation has made application to the Commission on August 7, 1958, for permission to expand its North Caprock-Queen Unit No. 2 Water Flood Project in the Caprock-Queen Pool, Lea and Chaves Counties, New Mexico.

Now on this 22nd day of August, 1958, the Secretary-Director finds:

1. That application has been filed in due form.
2. That satisfactory information has been provided that all offset operators have been duly notified of the application.
3. That no objection has been received within the waiting period as prescribed by Order No. R-1053-B.
4. That the proposed injection wells are eligible for conversion to water injection wells under the terms of Order No. R-1053-B.
5. That the proposed expansion of the above-referenced water flood project will not cause waste nor impair correlative rights.
6. That the application should be approved.

IT IS FURTHER ORDERED:

That the applicant Ambassador Oil Corporation, be and the same is hereby authorized to inject water into the Queen formation through the following described wells for purposes of secondary recovery:

Unit No.	4-1	SE/4 NW/4 Sec. 1 T-13-S R-31-E
	6-1	SE/4 NE/4 Sec. 1 T-13-S R-31-E
	10-2	NW/4 SW/4 Sec. 1 T-13-S R-31-E
	28-1	SE/4 SE/4 Sec. 2 T-13-S R-31-E
	26-4	NW/4 NE/4 Sec.11 T-13-S R-31-E
	25-2	SE/4 NE/4 Sec.11 T-13-S R-31-E
	18-1	SE/4 NE/4 Sec.12 T-13-S R-31-E
	13-1	NW/4 NW/4 Sec. 7 T-13-S R-32-E
	24-2	NW/4 SW/4 Sec.12 T-13-S R-31-E
	20-1	NW/4 SE/4 Sec.12 T-13-S R-31-E

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


A. L. PORTER, Jr.
Secretary-Director

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AMBASSADOR OIL CONSERVATION
P.O. BOX 9338
FT. WORTH, TEXAS

MAIN OFFICE OCC
1958 AUG 7 AM 8:34
WAX #1

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due 8-22

OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO
STATE CAPITOL BLDG
SANTA FE, NEW MEXICO

RE: APPLICATION FOR ADMINISTRATIVE APPROVAL
FOR CONVERSION OF (10) UNIT WELLS TO
WATER INJECTION WELLS. NORTH CAPROCK
QUEEN UNIT No. 2, LEA AND CHAVES
COUNTIES, NEW MEXICO

GENTLEMEN:

BY DIRECTIONS OF COMMISSION ORDER No. R-1053-B, ISSUED JULY 28, 1958,
AMBASSADOR OIL CORPORATION, AS OPERATOR OF THE NORTH CAPROCK QUEEN
SAND UNIT No. 2, REQUESTS ADMINISTRATIVE APPROVAL FOR THE CONVERSION
OF THE FOLLOWING UNIT WELLS TO WATER INJECTION WELLS:

UNIT No.	LOCATION
✓ 4-1	SE/4 NW/4 SEC. 1 T-13-S, R-31-E
✓ 6-1	SE/4 NE/4 SEC. 1 T-13-S, R-31-E
✓ 10-2	NW/4 SW/4 SEC. 1 T-13-S, R-31-E
✓ 28-1	SE/4 SE/4 SEC. 2 T-13-S, R-31-E
✓ 26-4	NW/4 NE/4 SEC. 11 T-13-S, R-31-E
✓ 25-2	SE/4 NE/4 SEC. 11 T-13-S, R-31-E
✓ 18-1	SE/4 NE/4 SEC. 12 T-13-S, R-31-E
✓ 13-1	NW/4 NW/4 SEC. 7 T-13-S, R-32-E
✓ 24-2	NW/4 SW/4 SEC. 12 T-13-S, R-31-E
✓ 20-1	NW/4 SE/4 SEC. 12, T-13-S, R-31-E

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THE OPERATOR BELIEVES THE ABOVE (10) WELLS QUALIFY FOR IMMEDIATE
CONVERSION TO WATER INJECTION WELLS FOR THE FOLLOWING REASONS:

- (1) EACH WELL IS DIRECTLY OFFSET BY A PRODUCING WELL CURRENTLY
BEING STIMULATED BY THE WATER-FLOOD. THIS IS EVIDENCED BY THE
DAILY OIL PRODUCTION FIGURES SHOWN ON THE ATTACHED EXHIBIT No. 1.
AT THE COMMISSION HEARING WHEN THE REQUEST TO SET UP THE ADMINISTRA-
TIVE APPROVAL COVERED IN COMMISSION ORDER No R-1053-B, WAS MADE ONLY (4)
WELLS WERE THEN PROPOSED FOR IMMEDIATE CONVERSION TO INJECTION
WELLS. HOWEVER, DURING THE FIVE WEEKS SINCE THE HEARING WE HAVE
HAD SOME ADDITIONAL RESPONSE TO THE WATER-FLOOD. BACKED BY THE SAME
TESTIMONY PRESENTED AT THE HEARING, WE FEEL THAT ALL TEN (10) WELLS
APPLIED FOR SHOULD BE APPROVED FOR INJECTION AT THIS TIME. SIX (6)
OF THE ABOVE TEN (10) WELLS HAVE BEEN PREVIOUSLY RE-WORKED AND ARE
AT PRESENT READY FOR WATER INJECTION. THE REMAINING FOUR (4) WILL
BE READIED AS SOON AS POSSIBLE. COMMISSION FORM C-116 FOR THESE
AFFECTED PRODUCERS ARE ATTACHED.

PAGE #2

- (2) IF THESE APPLIED FOR INJECTION WELLS ARE NOT PLACED IN OPERATION SHORTLY IT IS OUR CONVICTION THAT ULTIMATE RECOVERABLE OIL WILL BE DECREASED AND WASTE WILL OCCUR DUE TO AN UNBALANCED CONDITION IN THE PATTERN FLOODING OPERATION. A COPY OF THE MONTHLY PERFORMANCE DATA FOR THE UNIT No. 2 IS ATTACHED SHOWING DAILY AND CUMULATIVE PRODUCTION FIGURES ON INJECTED WATER AND OIL PRODUCED AS WELL AS PERFORMANCE CURVES.


THE ATTACHED "EXHIBIT NO. 1" SHOWS ALL SURROUNDING OFFSET OPERATORS, AND NEAREST WATER INJECTION WELLS AS PER INSTRUCTIONS OF THE COMMISSION ORDER No. R-1053-B.

COPIES OF THIS APPLICATION ARE BEING SENT TO GRARIDGE CORPORATION, GREAT WESTERN DRILLING COMPANY, PHILLIPS PETROLEUM CORPORATION, DELFERN OIL CORPORATION, AND GEORGE WILLIAMS. THESE ARE OFFSET OPERATORS TO THE NORTH CAPROCK QUEEN SAND UNIT No. 2. WE ARE SUBMITTING WAIVER LETTERS TO THESE ABOVE OFFSET OPERATORS AND WILL FORWARD SAME TO THE COMMISSION AS SOON AS THEY ARE RETURNED. THEREBY DECREASING IF POSSIBLE THE FIFTEEN (15) DAY INTERIM PERIOD SET UP IN THE COMMISSION ORDER.

ALL HELP THE COMMISSION COULD PROVIDE IN EXPEDITING APPROVAL OF THE SUBJECT APPLICATION WOULD BE GREATLY APPRECIATED.

YOURS VERY TRULY,

AMBASSADOR OIL CORPORATION


ROBERT H. VICK
CHIEF ENGINEER
SECONDARY OPERATIONS

RHV/HA