

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

July 18, 1955

Mr. Jason W. Kellahin
P.O. Box 597
Santa Fe, New Mexico

Dear Mr. Kellahin:

In behalf of your client, Lowry, et al, Operating Account,
we enclose a copy of Order R-664 issued in Case 922.

Very truly yours,

W. B. Macey
Secretary - Director

WBM:brp
encl.

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BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF THE STATE OF NEW
MEXICO FOR THE PURPOSE OF
CONSIDERING:

CASE NO. 922
Order No. R-664

THE APPLICATION OF LOWRY ET AL
OPERATING ACCOUNT FOR THE APPROVAL
OF AN EXTENSION OF ITS PRESSURE MAIN-
TENANCE PROGRAM IN THE SOUTH BLANCO-
TOCITO POOL, RIO ARriba COUNTY, NEW
MEXICO AND TO PERMIT THE DRILLING OF AN
ADDITIONAL WELL IN SAID PROGRAM TO BE
USED AS AN INJECTION WELL IF NOT A COMMERCIAL
PRODUCER IN THE TOCITO FORMATION.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a. m., on June 28, 1955, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission".

NOW, on this 14th day of July, 1955, the Commission, a quorum being present, having considered the testimony and exhibits offered therein, and the record pertaining to geological and engineering testimony received in Commission Cases Nos. 537, 555, 607 and 697, received in this case, and testimony and evidence presented at a prior hearing in this cause on July 21, 1954, and being fully advised in the premises,

FINDS:

- (1) That due notice of the time and place of hearing and the purpose thereof having been given as required by law, the Commission has jurisdiction of this case and the subject matter thereof.
- (2) That petitioner has operated a pressure maintenance program in the South Blanco-Tocito Pool, Rio Arriba County, New Mexico, under authority of Commission Order Nos. R-349 and R-532, and has made regular reports as required by said orders.
- (3) That evidence was introduced at this hearing to show that the pressure maintenance program has been successful in maintaining pressures in the South Blanco-Tocito Pool, will result in a greater ultimate recovery of oil with reduced waste of gas, and will protect and utilize reservoir energy to the best advantage.
- (4) That for successful operation of the pressure maintenance project, said project should be expanded by the addition of other injection wells, as hereinafter provided, and water injection may be increased.

Order No. R-664

(5) That applicant seeks approval to drill an additional well to be located in NW/4 SE/4 Section 4, Township 26 North, Range 6 West, and to use said well for an injection well if it is not a commercial producer in the Tociito formation.

(6) That extension of the pressure maintenance program is in the interests of conservation, will prevent waste, result in an increased ultimate recovery of oil, and that correlative rights will be protected.

IT IS THEREFORE ORDERED:

(1) That the application of Lowry et al Operating Account for permission to extend its pressure maintenance program in the South Blanco-Tocito Pool be and hereby is approved.

(2) That petitioner be authorized to drill an additional well to be located in the NW/4 SE/4 Section 4, Township 26 North, Range 6 West, NMPM, Rio Arriba County, New Mexico, said well to be used as an injection well in the event it is not a commercial producer in the Tociito formation of said pool.

(3) That in the event proration of oil is instituted in the South Blanco-Tocito Pool, suitable provision shall be made for the transfer of allowances from injection wells to other producing wells.

(4) That petitioner, as operator, shall continue to submit monthly reports to the Commission showing the monthly oil production, monthly water production, the amount of water injected into each well bore, and such other information as the Commission may from time to time require for the purpose of keeping fully informed as to the progress of operations under the terms of this order.

(5) That petitioner may, as abandonment of producing wells is necessitated by water encroachment, utilize such wells as additional water injection wells upon submitting proper notice to the Commission, and thereafter reporting operations affecting such wells as hereinabove provided; provided however, notice of such proposed utilization shall also be given to all parties at interest, and in the event a protest is filed with the Commission within 20 days after the date such notice is served, the Commission may, in its discretion, set the matter for hearing.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

John F. Simms
JOHN F. SIMMS, Chairman

E. S. Walker
E. S. WALKER, Member

W. B. Macey
W. B. MACEY, Member and Secretary

