

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. 1730
Order No. R-1053-D

APPLICATION OF AMBASSADOR OIL
CORPORATION FOR CAPACITY
ALLOWABLES FOR FIVE WELLS IN
ITS WATER FLOOD PROJECT IN THE
CAPROCK-QUEEN POOL, LEA AND
CHAVES COUNTIES, NEW MEXICO,
AND FOR ESTABLISHMENT OF AN
ADMINISTRATIVE PROCEDURE FOR
GRANTING CAPACITY ALLOWABLES
TO WELLS IN SAID PROJECT

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9:00 o'clock a.m. on July 31, 1959, at Santa Fe, New Mexico, before Elvis A. Utz, 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 1st day of August, 1959, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, 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, Ambassador Oil Corporation, was authorized by Order No. R-1053, and subsequent amendments thereto, to institute and operate a water flood project on its North Caprock Queen Unit No. 2, in the Caprock-Queen Pool, Lea and Chaves Counties, New Mexico.
- (3) That the applicant seeks capacity allowables for the following-described wells in said project:

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TOWNSHIP 13 SOUTH, RANGE 31 EAST, NMPM,
CHAVES COUNTY, NEW MEXICO

Well No. 1-2, NE/4 NE/4 of Section 1
Well No. 3-2, NE/4 NW/4 of Section 1
Well No. 27-2, NE/4 SE/4 of Section 11
Well No. 24-1, SW/4 SW/4 of Section 12

TOWNSHIP 13 SOUTH, RANGE 32 EAST, NMPM,
LEA COUNTY, NEW MEXICO

Well No. 19-3, SW/4 SW/4 of Section 7

(4) That capacity allowables for the above-described wells should be granted in view of the possibility that waste will occur if the production from said wells is restricted.

(5) That, as requested by the applicant, an administrative procedure should be established whereby capacity allowables may be granted to wells in said project without notice and hearing when such wells have received a response to water injection enabling them to produce in excess of top unit allowable for the Caprock-Queen Pool.

IT IS THEREFORE ORDERED:

(1) That the following-described wells on applicant's North Caprock Queen Unit No. 2, in the Caprock-Queen Pool, Lea County and Chaves County, New Mexico, be and the same are hereby granted allowables equal to their capacity to produce, effective at 7:00 o'clock a.m., Mountain Standard Time, July 31, 1959.

TOWNSHIP 13 SOUTH, RANGE 31 EAST, NMPM,
CHAVES COUNTY, NEW MEXICO

Well No. 1-2, NE/4 NE/4 of Section 1
Well No. 3-2, NE/4 NW/4 of Section 1
Well No. 27-2, NE/4 SE/4 of Section 11
Well No. 24-1, SW/4 SW/4 of Section 12

TOWNSHIP 13 SOUTH, RANGE 32 EAST, NMPM,
LEA COUNTY, NEW MEXICO

Well No. 19-3, SW/4 SW/4 of Section 7

(2) That the Proration Manager of the Commission be and the same is hereby authorized to assign an allowable equal to the well's capacity to produce, for any well in the above-mentioned project. In order to obtain such capacity allowables, the operator shall file Form C-116 showing the producing capacity of the wells for which such request is made.

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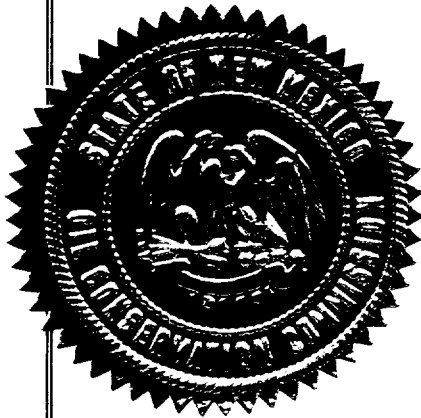
DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

John Burroughs
JOHN BURROUGHS, Chairman

Murray E. Morgan
MURRAY E. MORGAN, Member

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



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BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF AMBASSADOR OIL CORPORATION FOR
AN EMERGENCY ORDER GRANTING A
CAPACITY ALLOWABLE FOR ONE WELL
IN THE CAPROCK-QUEEN POOL, LEA AND
CHAVES COUNTIES, NEW MEXICO

EMERGENCY ORDER NO. E-20

NOW, on this 16th day of July, 1959, the Oil Conservation Commission of New Mexico, a quorum being present, having considered the application of Ambassador Oil Corporation for an Emergency Order and being fully advised in the premises,

FINDS:

(1) That the applicant, Ambassador Oil Corporation, was authorized by Order No. R-1053, and amendments thereto, to institute a water flood project on its North Caprock-Queen Unit No. 2, Caprock-Queen Pool, Lea and Chaves Counties, New Mexico.

(2) That the applicant is the operator of the following described well which is located in the aforementioned water flood project area:

Well No. 3-2, NE/4 NW/4 of Section 1,
Township 13 South, Range 31 East, NMPM,
Chaves County, New Mexico.

(3) That said water flood project has caused an increase in the producing capacity of the above-described Well No. 3-2 to the extent that it is now capable of producing in excess of the normal unit allowable for the Caprock-Queen Pool.

(4) That there is a possibility that waste will occur if production from the above-described Well No. 3-2 is restricted.

(5) That an emergency exists which requires the promulgation of an order without notice and hearing to eliminate the possibility of waste occurring as a result of restricting the production from said Well No. 3-2.

(6) That a hearing should be held on July 31, 1959, to determine whether waste will actually result if production from said Well No. 3-2 is restricted.

(7) That in the event the applicant fails to prove that waste will result if production from said Well No. 3-2 is restricted, then any oil produced from said well in excess of the

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Emergency Order No. E-20

normal unit allowable for the Caprock-Queen Pool should be charged against the future allowable for said well.

IT IS THEREFORE ORDERED:

(1) That the following described well be and the same is hereby granted an allowable equal to its capacity to produce, effective at 7:00 o'clock a.m., Mountain Standard Time, July 16, 1959:

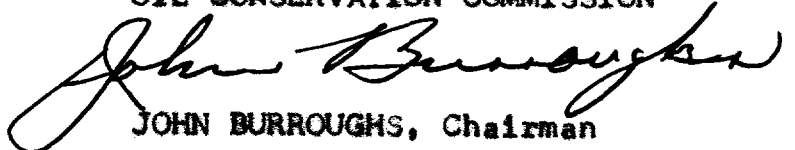
Well No. 3-2, NE/4 NW/4 of Section 1,
Township 13 South, Range 31 East, NMPM,
Chaves County, New Mexico.

(2) That a hearing shall be held in Santa Fe, New Mexico, at 9:00 o'clock a.m. on July 31, 1959, to permit the applicant to appear and show cause why the above-described well should be granted a capacity allowable.

(3) That in the event the applicant fails to prove that waste will result if production from the above-described Well No. 3-2 is restricted, then oil produced from said well in excess of the normal unit allowable for the Caprock-Queen Pool shall be charged against the future allowable for said well.

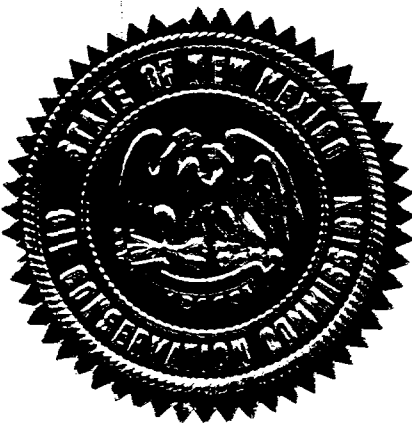
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


JOHN BURROUGHS, Chairman


MURRAY E. MORGAN, Member


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



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