

**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. 2851
Order No. R-2538**

**APPLICATION OF SHELL OIL COMPANY
FOR A WATERFLOOD PROJECT, LEA
COUNTY, NEW MEXICO.**

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on July 24, 1963, at Santa Fe, New Mexico, before Daniel S. Nutter, 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 7th day of August, 1963, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Daniel S. Nutter, 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 East Pearl-Queen Unit Agreement has been approved by the Commission by Order No. R-2537; that the East Pearl-Queen Unit Area comprises 2,440 acres, more or less of State and Fee lands in Township 19 South, Range 35 East, NMPM, Lea County, New Mexico, as more fully described in said order.

(3) That the applicant, Shell Oil Company, seeks permission to institute a waterflood project on its East Pearl-Queen Unit by the injection of water into the Queen formation through 31 wells located within said unit area.

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

(5) That the proposed waterflood project is in the interest of conservation and should result in recovery of otherwise unrecoverable oil, thereby preventing waste.

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(6) That the subject application should be approved and the project should be governed by the provisions of Rule 701 of the Commission Rules and Regulations.

IT IS THEREFORE ORDERED:

(1) That the applicant, Shell Oil Company, is hereby authorized to institute a waterflood project in the East Pearl-Queen Unit Area, Lea County, New Mexico, by the injection of water into the Queen formation through the following-described 31 wells in Township 19 South, Range 35 East, NMPM, Lea County, New Mexico:

<u>Well</u>	<u>Unit</u>	<u>Section</u>
Sanford-Union State 1	N	15
Shell-McIntosh E-1	N	21
Shell-McIntosh D-1	P	21
Shell-Rushing 2	B	22
Shell-McIntosh B-3	D	22
Shell-Signal State 1	F	22
Colton-Texaco Moran 2	H	22
Shell-Kimberlin 4	J	22
Shell-McIntosh B-1	L	22
Shell-Kimberlin 2	N	22
Collier-State 1	P	22
Shell-Record 1	L	26
Shell-Hooper 2	B	27
Shell-McIntosh 1	D	27
Shell-State PB-1	F	27
Shell-Allen Est. A-1	H	27
Shell-Allen Est. 1	J	27
Shell-McIntosh 3	L	27
Shell-State PA-2	N	27
Shell-Allen Est. 3	P	27
Shell-McIntosh C-1	B	28
Shell-McIntosh C-4	H	28
Shell-State PC-2	B	34
Shell-State PD-1	D	34
Shell State PD-3	F	34
Shell-State PE-1	H	34
Shell-State PF-1	J	34
Gulf-State AR-2	L	34
Mid-Tex - Gulf State 1	N	34
Shell-State PG-1	P	34
Shell-State PE-2	L	35

(2) That the subject waterflood project shall be governed by the provisions of Rule 701 of the Commission Rules and Regulations, including the allowable provisions thereof, and including the provisions with respect to expansion of the waterflood project.

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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 1119 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
JACK M. CAMPBELL, Chairman

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

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

