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BEFORE THE NEW MEXICO CIL CONSERVATION COMMISSION

Application of Shell Oil Company for approval of a Water Flood Project, Lea County, New Mexico

Case # 3036

APPLICATION

Comes now Shell Oil Company, by its attorneys, and applies to the New Mexico Oil Conservation Commission for approval of a water flood project in the Jalmat pool, Lea County, New Mexico, and in support of its application states:

- 1. Shell Oil Company and others are the operators of a water flood project in the North Scarborough field of Winkler County, Texas, immediately adjacent to the Texas-New Mexico state line.
- 2. That Shell Oil Company desires to expand said water flood project into certain properties owned by it in Sections 32 and 33, T. 26 S., R. 37 E., Lea County, New Mexico, all as shown on the plats attached to and made a part of this application.
- 3. Shell Oil Company proposes to inject water at the rate of approximately 100 barrels per day into the Yates formation through each of Wells Nos. 2, 3, 6 and 7 as shown on the plat attached to and made a part of this application.
- 4. The source of water for said injection will be from the Santa Rosa formation and will be derived from a water source in the State of Texas; the proposed rate of injection in the New Mexico project will be comparable to the rates of injection of wells in the Texas project.

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- 5. Attached to and made a part of this application are exhibits showing a diagrametric sketch of each injection well, a log of each injection well, and a north-south cross section through a portion of the Jalmat and North Scarborough pools.
- 6. The wells in the proposed project area have reached an advanced stage of depletion and are properly considered as "stripper" wells.
- 7. Approval of this application will be in the best interest of conservation and will prevent waste and protect correlative rights.

WHEREFORE, Shell Gil Company requests that this matter be set for hearing before the Commission, or one of its examiners, and that following said hearing the Commission enter its order approving this application.

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