

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. 2703
Order No. R-2385

APPLICATION OF CONTINENTAL OIL COMPANY
FOR A WATERFLOOD PROJECT AND A CENTRAL
TANK BATTERY, EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on November 20, 1962, 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 5th day of December, 1962, 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 Cave Pool Unit Agreement has been approved by the Commission by Order No. R-2384; that the Cave Pool Unit Area comprises 1,960 acres, more or less, of State and Federal lands in Townships 16 and 17 South, Range 29 East, NMPM, Cave Pool, Eddy County, New Mexico, as more fully described in said order.

(3) That the applicant, Continental Oil Company, seeks permission to institute a waterflood project in the Cave Pool Unit Area by the injection of water into the Premier Sand of the Grayburg formation through 26 injection wells located within said unit area.

(4) That the applicant further seeks authority to commingle all production in the Cave Pool Unit Area into a central tank battery to be located in the southeast corner of the NW/4 SE/4 of Section 5, Township 17 South, Range 29 East.

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

(6) That approval of the waterflood project will not cause damage to producing formations in the area or otherwise cause waste if the well casing on all injection wells is tested to withstand 2000 pounds psi prior to injection.

(7) That approval of the waterflood project will not cause damage to producing formations in the area or otherwise cause waste if injection into all wells that will not withstand 2000 pounds psi casing pressure is accomplished through tubing installed in a packer with injection below the packer.

(8) That the waterflood project should be approved and should be governed by the provisions of Rule 701.

(9) That the applicant should be granted authority to commingle all production from the waterflood project into a central tank battery as all production will be within the Cave Pool Unit Area.

IT IS THEREFORE ORDERED:

(1) That the applicant, Continental Oil Company, is hereby authorized to institute a waterflood project in the Premier Sand of the Grayburg formation in the Cave Pool Unit Area by the injection of water through the following-described 26 wells:

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM, EDDY COUNTY,
NEW MEXICO

CONTINENTAL OIL COMPANY

State "EE" 4 Well No. 1, Unit N, Section 4
State "EE" 4 Well No. 2, Unit F, Section 4
State P-4 Well No. 3, Unit B, Section 4
State U-4 Well No. 1, Unit H, Section 4
State U-5 Well No. 1, Unit J, Section 5
State U-5 Well No. 2, Unit H, Section 5
State U-8 Well No. 2, Unit H, Section 8
State U-9 Well No. 2, Unit B, Section 9
State U-9 Well No. 4, Unit I, Section 9
State T-8 Well No. 1, Unit B, Section 8
State KE-9 Well No. 1, Unit D, Section 9
State KD-4 Well No. 1, Unit D, Section 4
State KD-4 Well No. 3, Unit J, Section 4
State KC-5 Well No. 3, Unit P, Section 5
State KC-5 Well No. 4, Unit F, Section 5
State KF-5 Well No. 1, Unit N, Section 5
Hodges 5 Well No. 1, Unit B, Section 5

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KINCAID & WATSON DRILLING COMPANY

Humble State Well No. 1, Unit D, Section 8
Humble State Well No. 4, Unit F, Section 8
Humble State Well No. 5, Unit B, Section 7
Atlantic State Well No. 2, Unit L, Section 8
Atlantic State Well No. 3, Unit J, Section 8
Atlantic State Well No. 4, Unit N, Section 8

BILL A. SHELTON OIL PROPERTIES

Gulf State "E" Well No. 4, Unit P, Section 4

SKELLY OIL COMPANY

Hobbs "H" Well No. 1, Unit L, Section 4

TOWNSHIP 16 SOUTH, RANGE 29 EAST, NMPM, EDDY COUNTY,
NEW MEXICO

WESTERN DEVELOPMENT COMPANY

Dale Federal Well No. 2, Unit P, Section 33

(2) That the casing in all injection wells shall be tested to withstand 2000 pounds psi casing pressure prior to injection.

(3) That injection into all wells that will not withstand casing pressure of 2000 pounds psi shall be accomplished through tubing installed in a packer with injection below the packer.

(4) That the applicant, Continental Oil Company, is hereby authorized to commingle all production from the aforesaid waterflood project in the Cave Pool Unit Area into a central tank battery to be located in the southeast corner of the NW/4 SE/4 of Section 5, Township 17 South, Range 29 East, NMPM, Eddy County, New Mexico.

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

(6) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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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

TOM BOLACK, Chairman

E. S. WALKER, Member

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

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