

**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. 4288
Order No. R-3910**

**APPLICATION OF WOOD, McSHANE AND
THAMS-COLORADO FOR AN UNORTHODOX
OIL WELL LOCATION AND WATERFLOOD
EXPANSION, LEA COUNTY, NEW MEXICO.**

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on January 7, 1970, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 14th day of January, 1970, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, 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 applicants, Wood, McShane and Thams-Colorado, are now the operators of the State "M" Lease Waterflood Project, Langlie-Mattix Pool, Lea County, New Mexico, formerly operated by Humble Oil & Refining Company and approved by Commission Order No. R-2556 and extended by Order No. R-2891.

(3) That the applicants seek authority to drill their Well No. 63, a producing oil well, at an unorthodox location 2740 feet from the South line and 1280 feet from the East line of Section 30, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico, as an infill well in said State "M" Lease Waterflood Project.

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(4) That the proposed unorthodox location is necessary to provide an efficient oil producing pattern.

(5) That the applicants also seek the establishment of an administrative procedure whereby the Secretary-Director of the Commission may authorize additional producing wells and injection wells at orthodox and unorthodox locations within said State "M" Lease Waterflood Project area as may be necessary to complete an efficient production and injection pattern.

(6) That approval of the requested administrative procedure will afford the applicants the opportunity to produce their just and equitable share of the oil in the Langlie-Mattix Pool, provided said wells are drilled no closer than 330 feet to the outer boundary of the subject lease nor closer than 10 feet to any quarter-quarter section or subdivision inner boundary.

(7) That the subject waterflood project should be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations, provided however, that the showing of well response as required by Rule 701 E-5 shall not be necessary before obtaining administrative approval for the conversion of additional wells to water injection.

IT IS THEREFORE ORDERED:

(1) That the applicants, Wood, McShane and Thams-Colorado, are hereby authorized to drill their Well No. 63, a producing oil well, at an unorthodox location 2740 feet from the South line and 1280 feet from the East line of Section 30, Township 22 South, Range 37 East, NMPM, Langlie-Mattix Pool, Lea County, New Mexico, as an infill well in their State "M" Lease Waterflood Project.

(2) That the subject waterflood project shall continue to be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations;

PROVIDED HOWEVER, that the Secretary-Director of the Commission may approve such additional producing wells and injection wells at orthodox and unorthodox locations within the State "M" Lease Waterflood Project area as may be necessary to complete an efficient production and injection pattern; provided said wells are drilled no closer than 330 feet to the outer boundary

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of the subject lease nor closer than 10 feet to any quarter-quarter section or subdivision inner boundary, and provided that the application therefor has been filed in accordance with Rule 701 B of the Commission Rules and Regulations. The showing of well response as required by Rule 701 E-5 shall not be necessary before obtaining administrative approval for the conversion of additional wells to water injection.

(3) That the subject waterflood project shall continue to be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations insofar as said rules are not inconsistent with this order.

(4) That monthly progress reports of the subject waterflood project shall continue to be submitted to the Commission in accordance with Rules 704 and 1120 of the Commission Rules and Regulations.

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

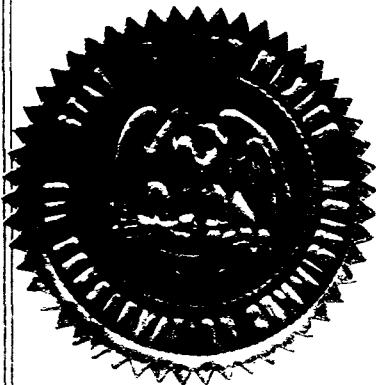
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


DAVID F. CARGO, Chairman


ALEX J. ARMIJO, Member


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



esr/