



CONTINENTAL OIL COMPANY

P. O. Box 460

HOBBS, NEW MEXICO 88240

PRODUCTION DEPARTMENT

HOBBS DIVISION

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October 21, 1970

Case 4929

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico

Attention Mr. A. L. Porter, Jr.,
Secretary-Director

Gentlemen:

Subject: Application for Hearing, South Eunice Unit Agreement
and Waterflood Project

Forwarded herewith in triplicate is our application for approval of South Eunice Unit Agreement and a Waterflood Project to be conducted in the South Eunice Pool. We are enclosing only one copy of the unit agreement in order to save the bulk in mailing. We should appreciate your placing this matter for hearing on the earliest examiner docket.

Yours very truly,

LPT-RW

CC: RLA, JJB, JWK,

Working Interest Owners

Enc

DOCKET MAILED

Date 11-5-70

BEFORE THE OIL CONSERVATION COMMISSION
OF THE
STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
CONTINENTAL OIL COMPANY FOR APPROVAL
OF THE SOUTH EUNICE UNIT AGREEMENT
EMBRACING 2720 ACRES, MORE OR LESS,
LOCATED IN SECTIONS 20, 21, 22, 28,
29 and 33, TOWNSHIP 22 SOUTH,
RANGE 36 EAST, NMPM, LEA COUNTY,
NEW MEXICO, AND FOR PERMISSION TO
INSTALL AND OPERATE A WATERFLOOD
IN THE SOUTH EUNICE POOL WITHIN
THE BOUNDARIES OF SAID UNIT AREA

Case 4459

A P P L I C A T I O N

Comes now Applicant, Continental Oil Company, and
respectfully requests approval of the South Eunice Unit Agree-
ment embracing 2720.00 acres, more or less, described as:

E/2 E/2 Section 20,
All of Section 21,
S/2, S/2 N/2, NW/4 NW/4, and NW/4 Section 22
All of Section 28,
E/2 NE/4 and NE/4 SE/4 Section 29,
N/2, SE/4, E/2 SW/4 and NW/4 Section 33,
Township 22, South, Range 36 East,
Lea County, New Mexico

and for permission to install and operate a waterflood in the
South Eunice Pool within the boundaries of said unit, and in
~~support thereof~~
support thereof Applicant would show:

1. That the South Eunice Unit Agreement is
attached hereto and marked Exhibit 1.
2. That designation of Unit Area and preliminary
approval of the Unit Agreement by the U. S.
Geological Survey was given February 25, 1970.
3. That the attached lease plat marked Exhibit 2
shows the South Eunice Unit and surrounding area
at least two miles radius from said Unit boundary.
4. That production in the Unit Area is at an
advanced stage of depletion and that recovery
by primary methods is at or near the economic
limit.

5. That engineering investigations indicate that waterflooding the South Eunice Unit Area will be physically and economically feasible.
6. That agreement between the Working Interest Owners has proceeded to the extent that a logical and systematic secondary recovery operation is assured.
7. That the formation to be unitized and water-flooded is the Seven Rivers and Queen formations which are specifically indicated on the Sonic log of the Continental Oil Company West Arrowhead Deep Unit No. 1 well attached hereto and marked Exhibit 3.
8. That all proposed injection wells are or will be completed in such a manner that injected water will be confined to the unitized formation. The present status of all proposed injection wells is shown on the tabulation of injection well data attached hereto and marked Exhibit 4.
9. That applicant proposes to inject a total of approximately 13,000 barrels of produced water per day into the 30 proposed injection wells on a 80-acre five spot pattern. Said water will be obtained from Jalmat wells adjacent to the unit area or from an outside supplier.
10. That the said waterflood will be installed and operated in conformance with Rule 701E.
11. That the proposed unitization and secondary recovery will result in the recovery of hydrocarbons which would not be recovered by primary methods and is therefore in the interest of conservation and prevention of waste.

Wherefore, Applicant respectfully requests that this matter be set for hearing before the Commission's duly appointed Examiner and that upon hearing an order be entered approving the South Eunice Unit Agreement, and granting permission to install and operate a waterflood within the Unit Area as described herein above.

Respectfully submitted,
CONTINENTAL OIL COMPANY



G. C. Jamieson

GCJ:rw