

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

February 9, 1971

Mr. Jason Kellahin
Kellahin & Fox
Attorneys at Law
Post Office Box 1769
Santa Fe, New Mexico

Dear Sir:

Reference is made to Commission Order No. R-4068, recently entered in Case No. 4459, approving the Continental Oil Company South Eunice Unit Waterflood Project.

Injection shall be through the 30 authorized water injection wells, with injection in each well to be accomplished through cement-lined tubing set in a packer. Packers shall be located as near as is practicable to the uppermost perforation. All injection wells except the dually completed H. D. Greer Well No. 1, located in Unit K of Section 21, Township 22 South, Range 36 East, shall be single completions and shall have the casing-tubing annulus loaded with an inert fluid and equipped with a pressure gauge at the surface. The perforations above the packer in the SDX Boren Well No. 1 located in Unit A of Section 20, Township 22 South, Range 36 East, and the Continental Christmas "D" Well No. 1-D located in Unit O of Section 21, Township 22 South, Range 36 East, shall be squeezed prior to placing said wells on injection.

As to allowable, our calculations indicate that when all of the authorized injection wells have been placed on active injection, the maximum allowable which this project will be eligible to receive under the provisions of Rule 701-E-3 is 2688 barrels per day when the Southeast New Mexico normal unit allowable is 42 barrels per day or less. This allowable would increase to 2772 barrels when the two injection wells planned later for Unit O of Section 28 and Unit A of Section 33 are drilled.

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Please report any error in this calculated maximum allowable immediately, both to the Santa Fe office of the Commission and the appropriate district proration office.

In order that the allowable assigned to the project may be kept current, and in order that the operator may fully benefit from the allowable provisions of Rule 701, it behooves him to promptly notify both of the aforementioned Commission offices by letter of any change in the status of wells in the project area, i.e., when active injection commences, when additional injection or producing wells are drilled, when additional wells are acquired through purchase or unitization, when wells have received a response to water injection, etc.

Your cooperation in keeping the Commission so informed as to the status of the project and the wells therein will be appreciated.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/DSN/lr

cc: Oil Conservation Commission
Hobbs, New Mexico

U. S. Geological Survey
Post Office Box 1838
Hobbs, New Mexico

Mr. D. E. Gray
State Engineer Office
Capitol Building
Santa Fe, New Mexico



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

P. O. BOX 2088 - SANTA FE

87501

GOVERNOR
DAVID F. CARGO
CHAIRMAN

LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

December 1, 1970

Mr. Jason Kellahin
Kellahin & Fox
Attorneys at Law
Post Office Box 1769
Santa Fe, New Mexico

Re: Case No. 4459
Order No. R-4068
Applicant:
Continental Oil Company

Dear Sir:

Enclosed herewith is a copy of the above-referenced Commission order recently entered in the subject case. Letter pertaining to conditions of approval and maximum allowable to follow.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC X
Artesia OCC _____
Aztec OCC _____
State Engineer X

Other U. S. Geological Survey, Box 1838, Hobbs, New Mexico 88240