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THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF)
THE IBEX COMPANY FOR AN ORDER)
AUTHORIZING CAPACITY PRODUCTION FOR)
CERTAIN WELLS WITHIN TWO SEPARATE)
PILOT FLOOD PROJECTS IN THE GRAYBURG)
FORMATION UNDERLYING SECTIONS 21, 28)
and 32 of TOWNSHIP 18 SOUTH, RANGE)
28 EAST, N.M.P.M., ARTESIA POOL,)
EDDY COUNTY, NEW MEXICO, AND FURTHER)
AUTHORIZING THE UNORTHODOX LOCATION)
OF A NUMBER OF THE APPLICANT'S WELLS)
IN THE ARTESIA POOL.)

NO. _____

APPLICATION

Comes now applicant, The Ibex Company, by its attorney, and states:

1. Applicant is the owner of properties situated within two separate pilot water flood projects in the Grayburg formation underlying Sections 21, 28 and 32, of Township 18 South, Range 28 East, N.M.P.M., Artesia Pool, Eddy County, New Mexico, known as Ibex-Artesia Pilot Flood Projects Nos. 2 and 3, which said pilot water flood projects were approved by Commission Order No. R-966, dated March 29, 1957. A plat showing the area of each of the pilot projects No. 2 and No. 3 is attached hereto and marked "Exhibit 1."

2. The said pilot water flood projects have caused an increase in the producing capacity of certain of the wells in the pilot areas to the extent that they are likely to produce in excess of the top unit allowable for the Grayburg formation in the Artesia Pool, almost any day.

3. That waste will occur if the production from the wells in the pilot flood areas is restricted.

WHEREFORE, applicant prays for the following relief:

1. That the Commission set this matter down for hearing at the earliest possible date for the purpose of permitting the applicant to produce the following described wells in the pilot water flood projects at capacity:

A. IBEX-ARTESIA PILOT FLOOD PROJECT NO. 2:

The Ibex Company McHutt-State No. 3, 1900 feet from West line and 250 feet from South line of Section 21, 18-S, 28-E.

The Ibex Company McHutt-State No. 4, 2390 feet from West line and 1070 feet from South line of Section 21, 18-S, 28-E.

The Ibex Company Welch-Duke-State No. 3, 2390 feet from West line and 1320 feet from North line of Section 28, 18-S, 28-E.

The Ibex Company Welch-Duke-State No. 6, 2390 feet from West line and 250 feet from North line of Section 28, 18-S, 28-E.

The Ibex Company Welch-Duke-State No. 8, 1300 feet from West line and 250 feet from North line of Section 28, 18-S, 28-E.

The Ibex Company Welch-Duke-State No. 9, 1890 feet from West line and 800 feet from North line of Section 28, 18-S, 28-E.

The Ibex Company Welch-Duke-State No. 11, 1900 feet from West line and 1850 feet from North line of Section 28, 18-S, 28-E.

The Ibex Company Welch-Duke-State No. 16, 1890 feet from West line and 1320 feet from North line of Section 28, 18-S, 28-E.

The Ibex Company Malco-Resler-Yates-State No. 17, 2900 feet from West line and 750 feet from North line of Section 28, 18-S, 28-E.

The Ibex Company Malco-Resler-Yates-State No. 19, 2900 feet from West line and 1850 feet from North line of Section 28, 18-S, 28-E.

The Ibex Company Malco-Resler-Yates-State No. 21, 2900 feet from West line and 250 feet from South line of Section 21, 18-S, 28-E.

The Ibex Company Malco-Resler-Yates-State No. 22, 2900 feet from West line and 1050 feet from South line of Section 21, 18-S, 28-E.

The Ibex Company Malco-Resler-Yates-State No. 46, 3500 feet from West line and 20 feet from South line of Section 21, 18-S, 28-E.

The Ibex Company Malco-Resler-Yates-State No. 53, 3450 feet from West line and 1200 feet from North line of Section 28, 18-S, 28-E.

B. IBEX-ARTESIA PILOT FLOOD PROJECT NO. 3:

The Ibex Company Malco-Resler-Yates-State No. 3, 1050 feet from West line and 600 feet from North line of Section 32, 18-S, 28-E.

The Ibex Company Malco-Resler-Yates-State No. 9, 600 feet from West line and 100 feet from North line of Section 32, 18-S, 28-E.

2. That an order be issued approving the following Ibex Company wells as Unorthodox locations:

The Ibex Company Malco-Resler-Yates-State No. 22, 2900 feet from West line and 1050 feet from South line of Section 21, 18-S, 28-E.

The Ibex Company Malco-Resler-Yates-State No. 46, 3500 feet from West line and 20 feet from South line of Section 21, 18-S, 28-E.

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. 1196
Order No. R-966-E

APPLICATION OF GRARIDGE CORPO-
RATION FOR AN ORDER AMENDING
ORDER NO. R-966 TO APPROVE THE
CONVERSION OF CERTAIN WELLS IN
THE ARTESIA WATER FLOOD PROJECTS
NOS. 2 AND 3 TO WATER INJECTION,
FOR ESTABLISHMENT OF AN ADMINIS-
TRATIVE PROCEDURE WHEREBY ADDI-
TIONAL WELLS MAY BE CONVERTED
TO WATER INJECTION, FOR APPROVAL
OF TWENTY-SEVEN UNORTHODOX WELL
LOCATIONS IN SAID PROJECTS, AND
FOR CAPACITY ALLOWABLES FOR SIX
WELLS IN SAID PROJECTS

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 8:00 o'clock a.m. on June 24, 1959, 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 15th day of July, 1959, 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 by Order N. R-966, and amendments thereto, The Ibex Company was authorized to institute its Artesia Water Flood Projects Nos. 2 and 3, Artesia Pool, Eddy County, New Mexico.
- (3) That Graridge Corporation, operator of said Water Flood Projects, seeks an amendment of Order No. R-966 to establish an administrative procedure whereby additional wells in

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said projects may be converted to water injection without notice and hearing.

(4) That the applicant, Graridge Corporation, further seeks an amendment of said Order No. R-966 to authorize the conversion of the following described wells to water injection:

Welch Duke State Well No. 19, NW/4 NW/4
of Section 28

Welch Duke State Well No. 20, SE/4 NW/4
of Section 28

Welch Duke State Well No. 21, SE/4 NW/4
of Section 28

Resler Yates State Well No. 14, SW/4 NE/4
of Section 28

Resler Yates State Well No. 304, SW/4 NE/4
of Section 28

Venture State Well No. 305, NE/4 NE/4
of Section 28

all in Township 18 South, Range 28 East, NMPM, Eddy County, New Mexico.

(5) That the applicant further seeks approval of twenty-seven (27) unorthodox well locations in said Water Flood Projects.

(6) That the applicant further seeks capacity allowables for the following-described wells in said Water Flood Projects:

Resler Yates State Well No. 23, SW/4 SE/4
of Section 21

Lackawana State "A" Well No. 2, NW/4 SE/4
of Section 21

McNutt State Well No. 9, SW/4 SW/4 of
Section 21

McNutt State Well No. 10, NE/4 SW/4 of
Section 21

Welch Duke State Well No. 2, SE/4 NW/4
of Section 28

all in Township 18 South, Range 28 East, NMPM, Eddy County, New Mexico.

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(7) That the evidence presented indicates that said Water Flood Projects have caused an increase in the producing capacity of the above-described wells to the extent that they are now or soon will be capable of producing in excess of top unit allowable for the Artesia Pool.

(8) That the evidence presented further indicates that waste might occur if production from the wells described in Finding No. 6 is restricted.

(9) That the subject application should be approved.

IT IS THEREFORE ORDERED:

(1) That Order No. R-966 be and the same is hereby amended to establish an administrative procedure whereby additional wells in The Ibex Company's Artesia Water Flood Projects Nos. 2 and 3, Artesia Pool, Eddy County, New Mexico, may be converted to water injection without notice and hearing.

PROVIDED HOWEVER, That no well located in said Water Flood Projects shall be eligible for administrative approval for conversion to water injection unless it is established to the satisfaction of the Secretary-Director of the Commission that the proposed water injection well has experienced a substantial response to the Water Flood Projects or is directly offset by a producing well which has experienced such response; and that it is located on a water injection pattern which will result in a thorough and efficient sweep of oil by said water floods.

PROVIDED FURTHER, That to obtain administrative approval for the conversion of any well to water injection applicant shall submit to the Commission in triplicate a request for such administrative approval, setting forth therein all the facts pertinent to the need for converting additional wells to water injection, and attaching thereto Commission Form C-116, showing production tests of the affected well or wells both before and after stimulation by water flood. Applicant shall also attach plats of the Water Flood Project area and immediate surrounding area, indicating thereon the owner of each lease and the location of all water injection wells and producing wells, and shall submit evidence that a copy of the application to convert additional wells to water injection has been sent to each operator offsetting the proposed injection well.

The Secretary-Director may, if in his opinion there is need for the conversion of additional wells to water injection, authorize said conversion without notice and hearing, provided no offset operator objects to said conversion to water injection within fifteen (15) days. The Secretary-Director may grant

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immediate approval of the conversion upon receipt of waivers of objection from all operators offsetting the proposed water injection well.

(2) That the applicant be and the same is hereby authorized to convert immediately the following-described wells to water injection:

Welch Duke State Well No. 19, NW/4 NW/4
of Section 28

Welch Duke State Well No. 20, SE/4 NW/4
of Section 28

Welch Duke State Well No. 21, SE/4 NW/4
of Section 28

Resler Yates State Well No. 14, SW/4 NE/4
of Section 28

Resler Yates State Well No. 304, SW/4 NE/4
of Section 28

Venture State Well No. 305, NE/4 NE/4 of
Section 28

all in Township 18 South, Range 28 East, NMPM, Eddy County, New Mexico.

(3) That unorthodox well locations be and the same are hereby approved for the following-described wells located in said Water Flood Projects:

Venture State Well No. 306, located 820 feet
from the North line and 1180 feet from the
East line of Section 28

Resler Yates State Well No. 10, located
2360 feet from the South line and 250 feet
from the East line of Section 29

Resler Yates State Well No. 11, located
2390 feet from the South line and 1570 feet
from the East line of Section 29

Resler Yates State Well No. 14, located
2400 feet from the North line and 2380 feet
from the East line of Section 28

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Resler Yates State Well No. 15, located
1570 feet from the North line and 1070 feet
from the East line of Section 29

Resler Yates State Well No. 27, located
2390 feet from the North line and 1300 feet
from the East line of Section 28

Resler Yates State Well No. 30, located
2390 feet from the South line and 1070 feet
from the East line of Section 21

Resler Yates State Well No. 34, located
2390 feet from the North line and 250 feet
from the East line of Section 29

Resler Yates State Well No. 40, located
1320 feet from the South line and 240 feet
from the East line of Section 29

Resler Yates State Well No. 43, located
2400 feet from the North line and 180 feet
from the East line of Section 28

Resler Yates State Well No. 45, located
2390 feet from the South line and 230 feet
from the East line of Section 21

Resler Yates State Well No. 48, located
240 feet from the South line and 670 feet
from the East line of Section 29

Resler Yates State Well No. 49, located
250 feet from the South line and 1570 feet
from the East line of Section 29

Resler Yates State Well No. 307, located
1800 feet from the North line and 1220 feet
from the East line of Section 28

Resler Yates State Well No. 308, located 1780
feet from the North line and 250 feet from
the East line of Section 28

Resler Yates State Well No. 12, located
330 feet from the South line and 200 feet
from the East line of Section 29

Royal Duke State Well No. 2, located 1570
feet from the North line and 1580 feet from
the East line of Section 29

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Lackawana State Well No. 4, located
1560 feet from the North line and 2280 feet
from the East line of Section 21

Lackawana State Well No. 5, located
2390 feet from the North line and 1070 feet
from the East line of Section 21

Lackawana State Well No. 1-A, located
252 feet from the South line and 343 feet
from the West line of Section 21

Lackawana State "A" Well No. 1, located
1540 feet from the South line and 1540 feet
from the East line of Section 21

Welch Duke State Well No. 12, located
950 feet from the North line and 270 feet
from the West line of Section 28

Welch Duke State Well No. 13, located
1570 feet from the North line and 260 feet
from the West line of Section 28

Welch Duke State Well No. 14, located
2310 feet from the North line and 260 feet
from the West line of Section 28

Toomey Allen Well No. 10, located 1650 feet
from the South line and 1330 feet from the
East line of Section 28

Toomey Allen Well No. 13, located 1350 feet
from the South line and 2300 feet from the
East line of Section 28

Toomey Allen Well No. 14, located 1100 feet
from the South line and 1580 feet from the
East line of Section 28

all in Township 18 South, Range 28 East, NMPM, Eddy County, New
Mexico.

(4) That the following-described wells be granted an
allowable equal to their capacity to produce:

Resler Yates State Well No. 23, SW/4 SE/4
of Section 21

Lackawana State "A" Well No. 2, NW/4 SE/4
of Section 21

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McNutt State Well No. 9, SW/4 SW/4 of
Section 21

McNutt State Well No. 10, NE/4 SW/4 of
Section 21

Welch Duke State Well No. 2, SE/4 NW/4
of Section 28

all in Township 18 South, Range 28 East, NMPM, Eddy County, New
Mexico.

(5) That the Commission hereby retains jurisdiction of
this cause to amend all or any part of this order and further to
enter any order or orders deemed necessary.

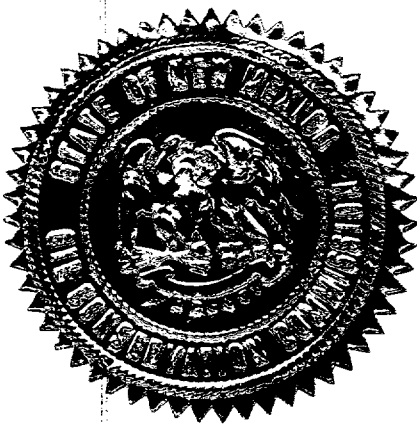
DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

John T. Burroughs
JOHN BURROUGHS, Chairman

M. E. Morgan
MURRAY E. MORGAN, Member

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



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