

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
TENNECO CORPORATION FOR AN ORDER
AUTHORIZING UNITIZATION AND PRESSURE
MAINTENANCE BY GAS INJECTION IN THE
KEMNITZ-WOLFCAMP POOL IN LEA COUNTY,
NEW MEXICO AND FOR AN ORDER ESTABLISHING
RULES AND REGULATIONS IN SAID UNITIZED
AREA

Case No. 2.255

A P P L I C A T I O N

TO: THE HONORABLE OIL CONSERVATION COMMISSION OF THE STATE OF
NEW MEXICO

Comes now the applicant, Tenneco Corporation acting by Tenneco Oil Company, its managing agent, and makes application for an order from the Commission approving the combining of certain contiguous proration units in the Kemnitz-Wolfcamp Pool in Lea County, New Mexico into a unitized area for purposes of secondary recovery and pressure maintenance in order to promote the conservation of oil and gas, together with an order establishing rules and regulations in the unit area and permitting the injection of gas into the unitized area; and for its grounds for issuance of said orders, states the following:

1. That the reservoir to be unitized in the Wolfcamp formation is that reservoir found at a depth between 10,583 feet and 10,783 feet below the surface in Tennessee Gas Transmission Company's Well No. 1 located in the NE/4 of the NE/4 of Section 25, Township 16 South, Range 33 East, N.M.P.M. in Lea County, New Mexico. The reservoir to be unitized does not include the Upper Wolfcamp or Cisco formations located under the hereinafter described land.

2. That the proposed Unit Area will embrace the aforesaid reservoir wherever found in an area of approximately 4,520 contiguous acres of land described as follows:

E/2 of E/2 of Section 26, N/2 of Section 25, E/2 and SW/4 of Section 24, all in Township 16 South, Range 33 East, N.M.P.M., all of Section 19, W/2 and SE/4 of Section 20, all of Section 21, W/2 of Section 28, all of Section 29 and all of Section 30, Township 16 South, Range 34 East, N.M.P.M.

3. That the intake wells for the proposed injection which will be converted to injection wells are described as follows:

(a) Tennessee Gas Transmission Company State "A" Well No. 1 located in the SW/4 of the SE/4 of Section 20, Township 16 South, Range 34 East, N.M.P.M., Lea County, New Mexico;

(b) Tennessee Gas Transmission Company State Western "A" Well No. 1 located in the SW/4 of the SW/4 of Section 20, Township 16 South, Range 34 East, N.M.P.M. Lea County, New Mexico;

(c) Sinclair Oil & Gas Company State Lea "381" Well No. 2 located in the SW/4 of the SE/4 of Section 19, Township 16 South, Range 34 East, N.M.P.M. Lea County, New Mexico;

(d) Sinclair Oil & Gas Company Seaman Unit Well No. 4 located in the SW/4 of the SW/4 of Section 19, Township 16 South, Range 34 East, N.M.P.M. Lea County, New Mexico;

(e) Sinclair Oil & Gas Company Seaman Unit Well No. 5 located in the SW/4 of the SE/4 of Section 24, Township 16 South, Range 33 East, N.M.P.M. Lea County, New Mexico.

4. That the proposed casing program for the injection wells is as follows:

Tennessee Gas Transmission Company State "A" No. 1				
13 3/8"	@	352'	w/450	sx
8 5/8"	@	4,531'	w/1400	sx
5 1/2"	@	11,548'	w/625	sx
Top of Cement 8,250'				

Tennessee Gas Transmission Company State Western "A" No. 1				
13 3/8"	@	362'	w/400	sx
8 5/8"	@	4,555'	w/2100	sx
5 1/2"	@	10,826'	w/290	sx
Top of Cement 9,380'				

Sinclair Oil & Gas Company State Lea "381" No. 2				
13 3/8"	@	345'	w/350	sx
8 5/8"	@	4,570'	w/3200	sx
5 1/2"	@	10,799'	w/300	sx
Top of Cement 9,395'				

Sinclair Oil & Gas Company Seaman Unit No. 4				
13 3/8"	@	310'	w/350	sx
8 5/8"	@	4,571'	w/2200	sx
5 1/2"	@	10,771'	w/300	sx
Top of Cement 9,195'				

Sinclair Oil & Gas Company Seaman Unit No. 5				
13 3/8"	@	325'	w/410	sx
8 5/8"	@	4,541'	w/2300	sx
5 1/2"	@	10,869'	w/200	sx
Top of Cement 10,365'				

5. Logs of the proposed injection wells will be introduced at the hearing.

6. That applicant proposes initially to inject into the unitized reservoir approximately 12 million cubic feet of gas per day with a possible subsequent maximum of 21 million cubic feet of gas per day to be injected into the unitized reservoir, all in accordance with the provisions of a cooperative unitization agreement with the other operators and interested persons within the unitized area; said gas to be recycled into the reservoir as produced from the unit wells.

7. That the location of the proposed injection wells and the location of all oil and gas producing wells completed in the formation being unitized, within or without the unit area, are set forth on the plat attached hereto and made a part hereof.

8. That the operator of the proposed unit is the applicant herein, Tenneco Corporation, or its successors, and its address is 1820 Wilco Building, Midland, Texas.

9. That the names of the offset operators to the unit area and the lessees owning interests within one-half mile of the unit area, to the best of applicant's knowledge, are set forth on the plat attached hereto and are listed again as follows:

Shell Oil Company, Forest Oil Corporation, Humble Oil & Refining Company, Phillips Petroleum Company, Getty Oil Company, Cities Service Oil Company, Cabot Carbon Company, Sunray Mid-Continent Oil Company, Tennessee Gas Transmission Company, The Ohio Oil Company, The Pure Oil Company and Sinclair Oil & Gas Company.

10. That in the interest of conservation and the prevention of waste and to more effectively and efficiently operate the proposed unitization and pressure maintenance project, it is recommended to the Commission that rules and regulations be adopted to accomplish the following in the reservoir to be unitized as aforesaid:

(a) The conversion of producing wells to injection wells as shown on the plat attached hereto;

(b) The granting of a project allowable equal to the sum of the allowables of the individual wells within the unit area, giving full allowable credit to the producing wells to be converted to injection wells and full allowable credit for wells which may be shut in for observation or to increase the efficiency of the project;

(c) The right to produce the project allowable from any well or wells in the project area, provided that any producing well in the project area which directly or diagonally offsets a well outside the project area producing from the same common source of supply shall not produce in excess of two times the top unit allowable for the pool;

(d) The operation of wells and the granting of the project allowable on a net gas/oil ratio basis, giving consideration to and allowance for gas injection;

(e) Such other rules as the Commission deems to be necessary.

WHEREFORE, applicant prays that this application be set for hearing at the next examiner hearing, that notice be given as required by law and that upon the evidence introduced at such hearing, the Commission issue an order approving the proposed unitization and granting to applicant permission to inject gas into the unitized reservoir and an order establishing rules and regulations in the unitized area, as aforesaid.

TENNECO CORPORATION

By _____

Hervey, Dow & Hinkle
P. O. Box 10
Roswell, New Mexico