

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. 2385
Order No. R-2071

APPLICATION OF TEXACO INC. FOR
APPROVAL OF THE WEST LOVINGTON
UNIT AGREEMENT AND FOR AN ORDER
AUTHORIZING A WATERFLOOD PROJECT
IN THE WEST LOVINGTON POOL, LEA
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on September 20, 1961, at Santa Fe, New Mexico, before Daniel S. Nutter, 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 9th day of October, 1961, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Daniel S. Nutter, 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 applicant, Texaco Inc., seeks approval of its proposed West Lovington Unit Agreement with the unit area comprising 2,472 acres, more or less, in Townships 16 and 17 South, Range 36 East, NMPM, Lea County, New Mexico.

(3) That the applicant proposes to institute a waterflood project in the West Lovington Pool on said West Lovington Unit by the injection of water into the San Andres formation through the following described wells:

Humble State "P" Well No. 2, NW/4 NE/4 of Section 9;
Humble State "P" Well No. 3, NW/4 NW/4 of Section 9;
Humble State "Q" Well No. 2, NW/4 NE/4 of Section 8;
Humble State "T" Well No. 1, NW/4 SW/4 of Section 8;
Humble State "W" Well No. 1, NW/4 SE/4 of Section 7;
Pan American State "E"-20 Well No. 13, NW/4 SE/4 of
Section 4;

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Phillips Mexico Well No. 2, NW/4 NE/4 of Section 5;
Rodman-Noel State "B" Well No. 2, NW/4 SW/4 of Section 4;
Rodman-Noel State "B" Well No. 5, NW/4 SW/4 of Section 3;
Mobil State "R" Well No. 6, NW/4 NE/4 of Section 4;
Mobil State "R" Well No. 9, NW/4 SE/4 of Section 5;
Texaco State "AH" Well No. 3, NW/4 NW/4 of Section 8;
Texaco State "AH" Well No. 6, NW/4 NE/4 of Section 7;
Texaco State "AH" Well No. 12, NW/4 SE/4 of Section 6;
Texaco State "AJ" Well No. 4, NW/4 NW/4 of Section 7;
Texaco State N.M. "CL" Well No. 1, NW/4 SE/4 of Section 8;
Tidewater State "O" Well No. 2, NW/4 SW/4 of Section 5; and
Turner State "C" Well No. 5, NW/4 NW/4 of Section 4;

all in Township 17 South, Range 36 East, NMPM, Lea County, New Mexico.

(4) That approval of the proposed West Lovington Unit Agreement will in principle tend to promote the conservation of oil and gas and the prevention of waste.

(5) That all of the producing wells in the unit have reached an advanced state of depletion and are properly classified as "stripper" wells.

(6) That the proposed waterflood project should be authorized and the operation thereof should be governed by the provisions of Rule 701 of the Commission Rules and Regulations.

IT IS THEREFORE ORDERED:

(1) That the West Lovington Unit Agreement is hereby approved.

(2) That the Plan under which the unit area shall be operated shall be embraced in the form of a unit agreement for the development and operation of the West Lovington Unit Area and such plan shall be known as the West Lovington Unit Agreement Plan.

(3) That the West Lovington Unit Agreement Plan is hereby approved in principle as a proper conservation measure; provided, however, that notwithstanding any of the provisions contained in said unit agreement, this approval shall not be considered as waiving or relinquishing, in any manner, any right, duty or obligation which is now, or may hereafter be, vested in the Oil Conservation Commission of New Mexico relative to the supervision and control of operations for the exploration and development of any lands committed to the said West Lovington Unit, or relative to the production of oil and gas therefrom.

- (4) (a) That the unit area shall be:

NEW MEXICO PRINCIPAL MERIDIAN

TOWNSHIP 16 SOUTH, RANGE 36 EAST

Section 33: SW/4 SW/4

TOWNSHIP 17 SOUTH, RANGE 36 EAST

Section 3: W/2 SW/4

Section 4: Lots 2, 3 and 4, S/2 N/2
and S/2

Section 5: Lots 1 and 2, S/2 N/2, and S/2

Section 6: SE/4 NE/4, SE/4 SW/4, and SE/4

Section 7: Lots 1 and 2, E/2 NW/4, NE/4
and N/2 SE/4

Section 8: N/2, N/2 SW/4 and NW/4 SE/4

Section 9: N/2 NW/4, NW/4 NE/4

comprising 2,472 acres, more or less.

(b) That the unit may be enlarged or contracted as provided in said Plan; provided, however, that administrative approval for expansion or contraction of the unit area must also be obtained from the Secretary-Director of the Oil Conservation Commission.

(5) That the unit operator shall file with the Commission an executed original or executed counterpart of the West Lovington Unit Agreement within 30 days after the effective date thereof. In the event of subsequent joinder by any party or expansion of the unit area, the unit operator shall file with the Commission within 30 days of such action counterparts of the unit agreement reflecting the subscription of those interests having joined or ratified.

(6) That the portion of this order relating to the approval of the West Lovington Unit Agreement shall become effective upon the approval of said unit agreement by the Commissioner of Public Lands for the State of New Mexico and the Director of the United States Geological Survey and shall terminate ipso facto upon the termination of said unit agreement. The last unit operator shall notify the Commission immediately in writing of such termination.

(7) That the applicant is hereby authorized to institute the West Lovington Waterflood Project in the West Lovington Pool, Lea County, New Mexico, by the injection of water into the San Andres formation through the following-described wells:

Humble State "P" Well No. 2, NW/4 NE/4 of Section 9;
Humble State "P" Well No. 3, NW/4 NW/4 of Section 9;
Humble State "Q" Well No. 2, NW/4 NE/4 of Section 8;
Humble State "T" Well No. 1, NW/4 SW/4 of Section 8;
Humble State "W" Well No. 1, NW/4 SE/4 of Section 7;

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Pan American State "E"-20 Well No. 13, NW/4 SE/4 of Section 4;
Phillips Mexico Well No. 2, NW/4 NE/4 of Section 5;
Rodman-Noel State "B" Well No. 2, NW/4 SW/4 of Section 4;
Rodman-Noel State "B" Well No. 5, NW/4 SW/4 of Section 3;
Mobil State "R" Well No. 6, NW/4 NE/4 of Section 4;
Mobil State "R" Well No. 9, NW/4 SE/4 of Section 5;
Texaco State "AH" Well No. 3, NW/4 NW/4 of Section 8;
Texaco State "AH" Well No. 6, NW/4 NE/4 of Section 7;
Texaco State "AH" Well No. 12, NW/4 SE/4 of Section 6;
Texaco State "AJ" Well No. 4, NW/4 NW/4 of Section 7;
Texaco State N.M. "CL" Well No. 1, NW/4 SE/4 of Section 8;
Tidewater State "O" Well No. 2, NW/4 SW/4 of Section 5; and
Turner State "C" Well No. 5, NW/4 NW/4 of Section 4;

all in Township 17 South, Range 36 East, NMPM, Lea County, New Mexico.

(8) That the operation of the West Lovington Waterflood Project shall be governed by the provisions of Rule 701 of the Commission Rules and Regulations.

(9) 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



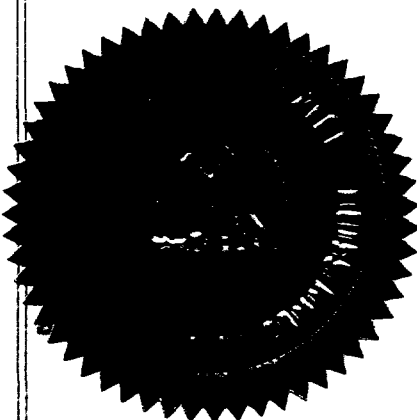
EDWIN L. MECHEM, Chairman



E. S. WALKER, Member



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



esr/