

**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. 2775
Order No. R-2461**

**APPLICATION OF CIMA CAPITAN, INCORPORATED
(N.S.L.), CASTLE & WIGZELL, AND RED LAKE
OIL COMPANY, FOR A WATERFLOOD PROJECT,
RED LAKE POOL, EDDY COUNTY, NEW MEXICO.**

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on March 20, 1963, 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 1st day of April, 1963, 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 the applicants, Cima Capitan, Incorporated (N.S.L.), Castle & Wigzell, and Red Lake Oil Company, seek authority to institute a waterflood project in the Red Lake Pool, Eddy County, New Mexico, by the injection of water into the Grayburg-San Andres formation through 14 wells located in Section 22 and the N/2 N/2 of Section 27, Township 17 South, Range 28 East, NMPM.

(3) That the wells in the proposed area are in an advanced state of depletion and should properly be classified as "stripper" wells.

(4) That the proposed waterflood project is in the interest of conservation and should result in recovery of otherwise unrecoverable oil.

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(5) That the subject application should be approved and the project should be governed by the provisions of Rule 701 of the Commission Rules and Regulations.

IT IS THEREFORE ORDERED:

(1) That the applicants, Cima Capitan, Incorporated (N.S.L.), Castle & Wigzell, and Red Lake Oil Company, are hereby authorized to institute a waterflood project in the Red Lake Pool, Eddy County, New Mexico, by the injection of water into the Grayburg-San Andres formation through the following-described six wells:

Castle & Wigzell Gulf State

Well No. 1, located in the NW/4 NE/4 of Section 22

Cima Capitan, Incorporated (N.S.L.) - Red Lake

Well No. 3, located in the SW/4 NE/4 of Section 22

Well No. 4, located in the NW/4 SW/4 of Section 22

Well No. 6, located in the NE/4 SW/4 of Section 22

Red Lake Levers

Well No. 20, located in the NE/4 NW/4 of Section 27

Well No. 24, located in the NW/4 NE/4 of Section 27

all in Township 17 South, Range 28 East, NMPM, Eddy County, New Mexico.

(2) That the applicants are hereby authorized to inject water into the Grayburg-San Andres formation, Red Lake Pool, Eddy County, New Mexico, through the following-described seven water injection wells to be drilled:

Cima Capitan, Incorporated (N.S.L.) - Red Lake

Well in the NW/4 NW/4 of Section 22

Well in the NE/4 NE/4 of Section 22

Well in the NE/4 SE/4 of Section 22

Well in the SW/4 SE/4 of Section 22

Well in the SW/4 SW/4 of Section 22

Red Lake Levers

Well in the NW/4 NW/4 of Section 27

Well in the NE/4 NE/4 of Section 27

all in Township 17 South, Range 28 East, NMPM, Eddy County, New Mexico.

(3) That the applicants are hereby authorized to drill the following-described oil producing wells in connection with said waterflood project:

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Castle & Wigsell Gulf State

Well in the NW/4 NE/4 of Section 22

Red Lake Levers

Well in the NE/4 NW/4 of Section 27

in Township 17 South, Range 28 East, NMPM, Eddy County, New Mexico.

(4) That the applicants are hereby authorized to re-enter and convert to water injection a dry well located in the SW/4 NE/4 NW/4 of Section 22, Township 17 South, Range 28 East, NMPM, Eddy County, New Mexico; if the well cannot be successfully converted to water injection, the applicants are hereby authorized to drill an additional water injection well in the SW/4 NE/4 NW/4 of said Section 22.

(5) That the subject waterflood project shall be governed by the provisions of Rule 701 of the Commission Rules and Regulations, including the allowable provisions thereof, and including the provisions with respect to expansion of the waterflood project.

(6) That monthly progress reports of the waterflood project herein authorized shall be submitted to the Commission in accordance with Rules 704 and 1119 of the Commission Rules and Regulations.

(7) 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

Jack M. Campbell

JACK M. CAMPBELL, Chairman

E. S. Walker

E. S. WALKER, Member

A. L. Porter, Jr.

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

