

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO

January 4, 1965

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Y  
  
Continental Oil Company  
P. O. Box 460  
Hobbs, New Mexico

Attention: Mr. Jack Marshall

Gentlemen:

Reference is made to your letter dated December 23, 1964, regarding our letter of December 15, 1964, concerning the maximum allowable which your Cave Pool Unit Waterflood Project will be eligible to receive.

In computing the maximum allowable of 2,184 barrels per day, we neglected to include the second well completed in Unit K of Section 5, Township 17 South, Range 29 East. The correct maximum allowable should be 2,198 barrels per day, and our letter of December 15, 1964, is hereby amended to so read.

Thank you for calling our attention to this matter.

Very truly yours,

A. L. Porter, Jr.  
Secretary-Director

ALP:DSN:sg

cc: Oil Conservation Commission - Hobbs  
Case File 3162

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# CONTINENTAL OIL COMPANY

P. O. BOX 460

HOBBS, NEW MEXICO

December 23, 1964

PRODUCTION DEPARTMENT  
HOBBS DISTRICT  
JACK MARSHALL  
DISTRICT MANAGER  
G. C. JAMIESON  
ASSISTANT DISTRICT MANAGER

1001 NORTH TURNER  
TELEPHONE: EX 3-4141

New Mexico Oil Conservation Commission  
Post Office Box 2088  
Santa Fe, New Mexico

Attention of Mr. A. L. Porter, Jr., Secretary-Director

Gentlemen:

Re: Cave Pool Unit

Your letter dated December 15, 1964, addressed to Mr. Jason Kellahin, referred to Order No. R-2831 recently entered in Case No. 3162. Your letter indicates that the maximum allowable for which this project will be eligible will be 2,184 barrels per day. Our figures indicate that this maximum allowable should be 2,198 barrels, considering the second well completed in Unit K, Section 5, T-17S, R-29E. We should appreciate your rechecking this figure and advising which figure is correct.

We appreciate your cooperation in this matter.

Yours very truly,

A handwritten signature in cursive script that reads "Jack Marshall".

JM-DFW

cc: NMOCC-Hobbs  
RGP GW JWK

OIL CONSERVATION COMMISSION  
P. O. BOX 871  
SANTA FE, NEW MEXICO

December 15, 1964

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Y  
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-2831, recently entered in Case No. 3162, approving the expansion of Continental Oil Company's Cave Pool Waterflood Project.

As discussed at the hearing, injection is to be through casing after the casing in both of the injection wells has been pressure tested to the maximum expected injection pressure of 2000 psi and the results of such tests furnished to the Commission and to the State Engineer Office at Santa Fe. In the event casing failure is detected in either well, injection shall be permitted in said well only through tubing and packer. As further agreed to at the hearing, connections are to be installed on the bradenheads to permit the installation of a valve or pressure gauge. (Letter from Jack Marshall dated December 1, 1964, advises that this has been done.)

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 2184 barrels per day.

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

**OIL CONSERVATION COMMISSION**

P. O. BOX 871

SANTA FE, NEW MEXICO

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

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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: Mr. Frank Irby  
State Engineer Office  
Santa Fe, New Mexico

Oil Conservation Commission:  
Hobbs, New Mexico  
Artesia, New Mexico



STATE OF NEW MEXICO

STATE ENGINEER OFFICE

SANTA FE

December 7, 1964

ADDRESS CORRESPONDENCE TO:  
STATE CAPITOL  
SANTA FE, N. M.  
87501

S. E. REYNOLDS  
STATE ENGINEER

Mr. A. L. Porter, Jr.  
Secretary-Director  
Oil Conservation Commission  
Santa Fe, New Mexico

Dear Mr. Porter:

Reference is made to Continental Oil Company's letter of December 1, 1964 pertaining to Case 3162.

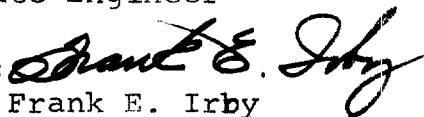
In view of the fact that the casing in both wells involved in this application is set in the Rustler formation, this office offers no objection to the granting of the application, provided the well casing is successfully tested to 2000 psi prior to commencement of injection and provided frequent periodic checks are taken to determine whether a casing leak has occurred.

I am curious as to why Mr. Marshall expounded on standard practices in use in the field and the comparison of cement used in the subject wells to that used by other operators in the area. However, this is of no consequence since it has no bearing on the ability of the well to conduct the fluid without loss.

Yours truly,

S. E. Reynolds  
State Engineer

FEI/ma  
cc-Continental Oil Co.  
F. H. Hennighausen

By:   
Frank E. Irby  
Chief  
Water Rights Div.



# CONTINENTAL OIL COMPANY

P. O. BOX 460

HOBBS, NEW MEXICO

PRODUCTION DEPARTMENT  
HOBBS DISTRICT  
JACK MARSHALL  
DISTRICT MANAGER  
G. C. JAMIESON  
ASSISTANT DISTRICT MANAGER

December 1, 1964

1001 NORTH TURNER  
TELEPHONE: EX 3-4141

New Mexico Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico

Attention of Mr. D. S. Nutter

Gentlemen:

Re: Case No. 3162

At the hearing November 24, 1964, on the captioned case, the Examiner and representative of the State Engineer's Office requested that we furnish certain information which was not available at the hearing. We find that the casing set in the two new injection wells conforms with one of the two standard practices in use in this field. Operators apparently have set casing either just above the salt or just below the salt. General American set their casing in the Rustler formation immediately above the salt beds. The amount of cement used compares favorably with the practice of other operators who set casing at this depth.

In order to determine the status of the bradenheads on the injection wells, it has been necessary to excavate around each well. This has been done and connections have been installed in the bradenhead whereby a 2" riser will be available above the surface and a valve or pressure gauge, or both, can be installed.

If you have further questions in connection with this case, please contact this office.

Yours very truly,

JM-DFW

cc: Mr. Frank Irby  
State Engineer's Office  
Santa Fe, New Mexico

State of New Mexico  
Oil Conservation Commission



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

**Re: Case No.** 3162  
**Order No.** R-2831  
**Applicant:**

**OTHER** Mr. Frank Irby

SPECIAL RULES AND REGULATIONS  
FOR THE CASS POOL

RULE 1. Each well completed or recompleted in the Cass Pool or in the Pennsylvanian formation within one mile of the Cass Pool, and not nearer to or within the limits of another designated Pennsylvanian Pool, shall be spaced, drilled, operated, and produced in accordance with the special Rules and Regulations hereinafter set forth.

RULE 2. Each well completed or recompleted in the Cass Pool shall be located on a standard unit containing 80 acres, more or less, consisting of the N/2, S/2, E/2, or W/2 of a single governmental quarter-section; provided, however, that nothing contained herein shall be construed as prohibiting the drilling of a well on each of the quarter-quarter sections in the unit.

RULE 3. The Secretary-Director may grant an exception to the requirements of Rule 2 without notice and hearing when an application has been filed for a non-standard unit comprising a single quarter-quarter section or lot. All operators offsetting the proposed non-standard unit shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Secretary-Director may approve the application immediately upon receipt of written waivers from all offset operators; or, in the absence of such waivers, after 30 days from receipt of the application if no offset operator has entered an objection to the formation of the non-standard unit.

RULE 4. Each well projected to or completed hereafter in the Cass Pool shall be located not less than 330 feet from any boundary of a single governmental quarter-quarter section or lot.

RULE 5. A standard proration unit (79 through 81 acres) in the Cass Pool shall be assigned an 80-acre proportional factor of 3.33 for allowable purposes, and in the event there is more than one well on an 80-acre proration unit, the operator may produce the



Special Rules and Regulations  
for the Cass Pool  
Page 2

allowable assigned to the unit from the wells on the unit in any proportion. The allowable assigned to a non-standard proration unit shall bear the same ratio to a standard allowable in the Cass Pool as the acreage in such non-standard unit bears to 80 acres.

RULE 6. The allowable, or any portion thereof, of any well capable of producing from the Cass Pool may be transferred to another well on the same lease capable of producing said allowable in addition to its own assigned allowable from the Cass Pool; provided, however, that no such allowable shall be transferred to a well nearer than 2000 feet from another well producing from the Cass Pool which is operated by another operator, unless written consent of said offset operator is first obtained, or after notice and hearing.



# CONTINENTAL OIL COMPANY

P. O. BOX 460

HOBBS, NEW MEXICO

November 6, 1964

PRODUCTION DEPARTMENT  
HOBBS DISTRICT  
JACK MARSHALL  
DISTRICT MANAGER  
G. C. JAMIESON  
ASSISTANT DISTRICT MANAGER

1001 NORTH TURNER  
TELEPHONE: EX 3-4141

New Mexico Oil Conservation Commission  
Post Office Box 2088  
Santa Fe, New Mexico

Attention of Mr. A. L. Porter, Jr., Secretary-Director

Gentlemen:

Re: Application for Amendment  
of Order No. R-2385 -  
Cave Pool Unit

We forward herewith application in triplicate for amendment of Order No. R-2385 for authority to convert two additional injection wells for the expanded Cave Pool Unit. We should appreciate your placing this matter for hearing on the Docket of November 24, 1964.

Yours very truly,

*Jack Marshall*

JM-DFW  
Enc.

cc: RGP GW JWK

SECRET MAILED  
Date 11-13-64  
*HE*



STATE OF NEW MEXICO

STATE ENGINEER OFFICE

SANTA FE

S. E. REYNOLDS  
STATE ENGINEER

November 24, 1964

ADDRESS CORRESPONDENCE TO:  
STATE CAPITOL  
SANTA FE, N. M.

Mr. A. L. Porter, Jr.  
Secretary-Director  
Oil Conservation Commission  
Santa Fe, New Mexico

Dear Mr. Porter:

Reference is made to the application of Continental Oil Company for a waterflood expansion and an administrative procedure in Eddy County, New Mexico, docketed as Case 3162 for hearings before Oil Conservation Commission examiner this date.

This office objects to hearing on this matter for the reason that no copy of the application has been filed with this office as provided by Oil Conservation Commission Rule 701-B-5.

Very truly yours,

S. E. Reynolds  
State Engineer

By:

*Frank E. Irby*  
Frank E. Irby  
Chief

Water Rights Div.

*objection withdrawn at hearing*  
FEI/ma