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State of New Mexico
Oil Conservation Commission



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MEMBER

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

P. O. BOX 2088
SANTA FE

September 12, 1966

Mr. Paul W. Eaton
Hinkle, Bondurant & Christy
Attorneys at Law
Post Office Box 10
Roswell, New Mexico

Re: Case No. 3450
Order No. R-3112
Applicant:

RAY SMITH DRILLING CO.

Dear Sir:

Enclosed herewith is a copy of the above-referenced Commission order recently entered in the subject case. Letter pertaining to conditions of approval and maximum allowable to follow.

Very truly yours,

A handwritten signature in cursive script, reading "A. L. Porter, Jr.", written in dark ink.

A. L. PORTER, Jr.
Secretary-Director

ALP/ir

Carbon copy of order also sent to:

Hobbs OCC x
Artesia OCC x
Aztec OCC

Other Mr. Frank Irby

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO

October 18, 1966

Mr. Paul Eaton
Hinkle, Bondurant & Christy
Attorneys at Law
Post Office Box 10
Roswell, New Mexico

Dear Sir:

Reference is made to Commission Order No. R-3112, recently entered in Case No. 3450, approving the Ray Smith Shugart 18-Queen Waterflood Project.

Injection is to be through the three authorized water injection wells, each of which shall be equipped with tubing and a packer, said packers to be located as near to the uppermost perforation as is practicable.

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 252 barrels per day when the Southeast New Mexico waterflood allowable factor is 42.

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 both of the aforementioned commission offices by letter of any change in

OIL CONSERVATION COMMISSION

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**Mr. Paul Eaton
Roswell, New Mexico**

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/ir

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

Oil Conservation Commission Offices in Hobbs and Artesia

CURTIS W. MEWBOURNE
CONSULTING PETROLEUM ENGINEER
FIDELITY UNION LIFE BUILDING
DALLAS, TEXAS 75201

August 12, 1966

State Engineer Office
Capital Building
Santa Fe, New Mexico

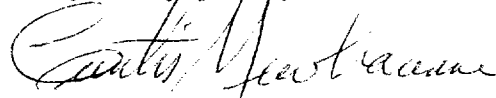
Re: Ray Smith Drilling Co.
Shugart 18-Queen Unit
Eddy County, New Mexico

Gentlemen:

Ray Smith Drilling Co. has made application to the New Mexico Oil Conservation Commission for authorization of Unit Agreement and authorization to inject water for secondary recovery of the subject Unit. Attached is a copy of the Application, complete with all attachments.

Thank you very much.

Very truly yours,



Curtis W. Mewbourne

CWM:vm

Attachments