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BEFORE THE
OIL CONSERVATION COMMISSION
OF NEW MEXICO

Case 3461

IN THE MATTER OF THE APPLICATION OF CITLES
SERVICE OIL COMPANY FOR APPROVAL OF THE
SOUTHEAST MALJAMAR GRAYBURG-SAN ANDRES UNIT
AGREEMENT EMBRACING 1080 ACRES, MORE OR LESS,
LOCATED IN SECTIONS 29, 30 and 32, TOWNSHIP
17 SOUTH, RANGE 33 EAST, N.M.P.M., LEA COUNTY,
NEW MEXICO, AND FOR PERMISSION TO INSTITUTE
AND OPERATE A WATERFLOOD WITHIN SAID UNIT AREA

A P P L I C A T I O N

Comes now Citles Service Oil Company and applies to
the Oil Conservation Commission of New Mexico for approval of
its Southeast Maljamar Grayburg-San Andres Unit Agreement em-
bracing 1080 acres, more or less, described as:

TOWNSHIP 17 SOUTH, RANGE 33 EAST, N.M.P.M.

Section 29 - NW $\frac{1}{4}$, SE $\frac{1}{4}$, W $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{2}$ NE $\frac{1}{4}$
Section 30 - NE $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$, SE $\frac{1}{4}$ SE $\frac{1}{4}$
Section 32 - NW $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$

and for permission to install and operate a waterflood within
said unit pursuant to the provisions of Rule 701, of the
Rules and Regulations of the New Mexico Oil Conservation
Commission, and in support thereof would show the Commission:

1. That designation of the Unit Area and preliminary
approval of the Unit Agreement has been given by the U. S.
Geological Survey, and a copy thereof submitted to the
Commissioner of Public Lands of the State of New Mexico,
through the Unit Division of the New Mexico State Land Office.
2. That there is attached hereto the following exhibits:
 - (a) Plat of the area showing the proposed unit
together with all wells located within two
miles of the Unit boundary.
 - (b) Plat of Unit showing all proposed injection wells.
 - (c) Log of the Shell State A-2 well, proposed as the
initial injection well.

3. Production in the Unit Area is at an advanced stage of depletion and recovery by primary methods is at or near the economic limit, and engineering investigations indicate waterflooding of the unit area will be physically and economically feasible.

4. The formation to be unitized and waterflooded is the Premier sand found from a depth of 4150 feet to 4350 feet. Injection rate will be approximately 250 barrels of water per well per day on a 5-spot pattern established by offsetting waterfloods being operated by Pennzoil and Sunset International. Fresh water will be purchased from the Continental Oil Company-operated MCA unit. Injection wells will be equipped with corrosive resistant, lined tubing and packers. It is anticipated that lines will be run in some of the injection wells to isolate the Premier sand.

5. The waterflood will be installed and operated in conformance with Commission Rule 7018.

6. Diagrammatic sketches of injection wells will be furnished to the Commission and to the New Mexico State Engineer prior to date of the hearing.

7. By copy of this application, with exhibits attached, notice is hereby given to the New Mexico State Engineer, as required by the Rules and Regulations of the Commission.

8. The proposed unitization and secondary recovery project will result in the recovery of hydrocarbons which would not otherwise be recovered, and will thereby prevent waste and protect the correlative rights of the owners in the unit.

WHEREFORE, Applicant respectfully requests that this application be set for hearing before the Commission's duly

appointed examiner and that after notice and hearing, the Commission enter its orders approving the applicant's Southeast Maljamar Grayburg-San Andres Unit and granting permission to install and operate a waterflood within the Unit Area.

Respectfully submitted,
CITIES SERVICE OIL COMPANY

Original Signed By
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BY: _____
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