BEFORE THE OIL CONSERVATION COMMISSION

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OF NEW MEXICO

icel 3506

IN THE MATTER OF THE APPLICATION OF STANDARD OIL COMPANY OF TEXAS FOR APPROVAL OF THE MALJAMAR GRAYBURG UNIT, LEA COUNTY, NEW MEXICO AND FOR EXPANSION OF THE STANDARD OIL COMPANY OF TEXAS MALJAMAR WATERFLOOD PROJECT

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<u>A P P L I C A T I O N</u>

Comes now STANDARD OIL COMPANY OF TEXAS and applies to the Oil Conservation Commission of New Mexico for approval of the Maljamar Grayburg Unit agreement, and for approval of the expansion of its Maljamar waterflood project authorized by Orders Nos. R-1538, R-2777, WFX 150, WFX 172 and R-3035, and in support thereof would show the Commission:

1. Applicant seeks approval of the Maljamar Grayburg Unit agreement, covering a total of 3,441 acres, more or less, consisting of federal, state and fee lands, in Lea County, New Mexico. A copy of said Unit agreement is submitted as a separate exhibit to this application, and made a part hereof. Unitized lands are more specifically described as:

Township 17 South, Range 32 East, N.M.P.M.

Section 2 - $SW_4^1NW_4^1$, $NW_4^1SW_4^1$ Section 3 - All Section 4 - S_2^1 , NW_4^1 , $S_2^1NE_2^1$ Section 8 - E_2^1 Section 9 - All Section 10 - All Section 11 - SW_4^1 , $S_2^1SE_4^1$ Section 14 - NW_4^1 Section 15 - NE_4^1

2. Applicant further proposes to expand its present waterflood project heretofore approved by the Commission by the addition of thirteen wells for the injection of water. As

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required by Rule 701, there is attached hereto and made a part of this application, the following exhibits:

(a) A plat showing the unit area, together with the location of present and proposed injection wells, and other wells in the vicinity of the proposed project area.

(b) A type log of the A. C. Taylor et al., No. 3 well, located 1800 feet from the North line and 660 feet from the East line of Section 9, Township 17 South, Range 32 East.

(c) Diagrammatic sketches of the proposed injection wells showing casing strings, setting depths, cementing program and other pertinent information.

3. It is proposed the injection will be into the Grayburg formation, as heretofore approved by the Commission.

4. Applicant proposes to inject fresh water obtained from its well located in Section 1, Township 17 South, Range 32 East, fresh water obtained from Double-Eagle Corporation, and produced water, presently being injected at the rate of 760 barrels per day, all as is more fully shown on data sheet attached as an exhibit to this application, and made a part hereof.

5. There is also attached hereto and made a part of this application, a production graph showing production experience in the unit area since acquisition of the project by applicant.

6. Applicant requests the establishment of an administrative procedure for the addition of injection wells whether such wells have received a response or are offset by wells having received a response, or not.

7. By copy of this application, together with attached exhibits, notice is being given to the office of the New Mexico

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State Engineer.

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WHEREFORE, applicant prays that this application be set for hearing before the Commission's duly appointed examiner, and that after notice and hearing as required by law, the Commission enter its orders approving the proposed unit agreement and waterflood expansion as prayed for.

> Respectfully submitted, STANDARD OIL COMPANY OF TEXAS

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ATTORNEYS FOR APPLICANT