



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
P. O. Drawer U
Artesia, New Mexico 88210

MAIN OFFICE

17
AM 8 12
JUN 12
1969
June 10, 1969

IN REPLY REFER TO:

2575

General American Oil Company of Texas
Post Office Box 416
Loco Hills, New Mexico 88255

Gentlemen:

Your letter of June 6, 1969 requests approval to operate a waterflood of the Premier zone of the Grayburg formation on oil and gas lease New Mexico 04068 described as follows:

T. 16 S., R. 30 E., N.M.P.M., Eddy County, New Mexico

Section 8: $S\frac{1}{2}SW\frac{1}{2}$

Section 17: $W\frac{1}{2}NE\frac{1}{2}$

You propose to convert to water injection wells No. 2 Sivley located in the $SW\frac{1}{2}SW\frac{1}{2}$ sec. 8, and No. 7 Sivley located in the $SW\frac{1}{2}NE\frac{1}{2}$ sec. 17, which would be in cooperative agreement with the Southwest Henshaw Premier Sand Unit to the east and west.

The plan for operating the above described waterflood project as proposed in the application is satisfactory to this office, and hereby approved subject to the following:

1. This project will be operated in compliance with the New Mexico Oil Conservation Commission regulations governing waterflood operations.
2. Duplicate copies of a monthly progress report (N.M.O.C.C. form C-120 acceptable) are to be submitted to this office showing the volume of water injected, and average pressures for the injection wells, and production for the producing wells in the project area.
3. This approval does not preclude the necessity for further approval when the project is expanded to include other wells and leases or the necessity to submit the usual notices and reports on wells involved.

Sincerely yours,

(Orig. Sgd.) JAMES A. KNAUF

James A. Knauf
District Engineer

cc: N.M.O.C.C., Santa Fe ✓
Roswell - File Accounts

GOVERNOR
DAVID F. CARGO
CHAIRMAN

State of New Mexico
Oil Conservation Commission



LAND COMMISSIONER
GUYTON B. HAYS
MEMBER

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

P. O. BOX 2088
SANTA FE

October 22, 1968

Mr. John Russell
Attorney at Law
Post Office Drawer 640
Roswell, New Mexico 88201

Re: Case No. 3873
Order No. R-3524
Applicant:
General American Oil 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. L. Porter, Jr.
A. L. PORTER, Jr.
Secretary-Director

ALP/ir

Carbon copy of order also sent to:

Hobbs OCC x
Artesia OCC x
Aztec OCC _____
State Engineer x

Other _____

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

November 4, 1968

**Mr. John Russell
Attorney at Law
Post Office Drawer 640
Roswell, New Mexico 88201**

Dear Sir:

Reference is made to Commission Order No. R-3524, recently entered in Case No. 3878, approving the General American Henshaw Sivley Waterflood Project.

Injection is to be through the two authorized water injection wells, each of which shall be equipped with tubing set in a packer immediately above the casing shoe. The casing-tubing annulus shall be loaded with an inhibited fluid and equipped with a pressure gauge to facilitate detection of leakage in the casing, tubing, or packer.

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 168 barrels per day when the Southeast New Mexico normal unit allowable is 42 barrels per day or less.

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 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,

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

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**Mr. John Russell
Attorney at Law
Roswell, New Mexico**

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: Oil Conservation Commission offices in Hobbs and Artesia, N.M.
U. S. Geological Survey, Artesia, New Mexico
Mr. D. E. Gray, State Engineer Office, Santa Fe, New Mexico**