

**BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO**

**IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF NEW MEXICO FOR  
THE PURPOSE OF CONSIDERING:**

**CASE No. 4006  
Order No. R-3649**

**APPLICATION OF PETROLEUM CORPORATION  
OF TEXAS FOR A WATERFLOOD PROJECT, EDDY  
COUNTY, NEW MEXICO.**

**ORDER OF THE COMMISSION**

**BY THE COMMISSION:**

This cause came on for hearing at 9 a.m. on December 27, 1968, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 31st day of December, 1968, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

**FINDS:**

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Petroleum Corporation of Texas, seeks permission to institute a waterflood project in the Red Lake Pool by the injection of water into the San Andres formation through its Paton Federal Well No. 2, located in Unit N of Section 6, Township 18 South, Range 27 East, NMPM, Eddy County, New Mexico, with injection into the perforated interval from approximately 1662 feet to 1699 feet.

(3) That the wells in the project area are in an advanced state of depletion and should properly be classified as "stripper" wells.

(4) That the proposed waterflood project should result in the recovery of otherwise unrecoverable oil, thereby preventing waste.

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(5) That injection should be accomplished through 2 3/8-inch cement-lined tubing installed in a packer set at approximately 1650 feet; that the casing-tubing annulus should be filled with an inert fluid; and that a pressure gauge should be attached to the annulus at the surface in order to determine leakage in the casing, tubing, or packer.

(6) That the subject application should be approved and the project should be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

IT IS THEREFORE ORDERED:

(1) That the applicant, Petroleum Corporation of Texas, is hereby authorized to institute a waterflood project in the Red Lake Pool by the injection of water into the San Andres formation through its Paton Federal Well No. 2, located in Unit N of Section 6, Township 18 South, Range 27 East, NMPM, Eddy County, New Mexico, injection to be accomplished through 2 3/8-inch tubing installed in a packer set at approximately 1650 feet, with injection into the perforated interval from approximately 1662 feet to 1699 feet;

PROVIDED HOWEVER, that the tubing shall be cement-lined; that the casing-tubing annulus shall be filled with an inert fluid; and that a pressure gauge shall be attached to the annulus at the surface in order to determine leakage in the casing, tubing, or packer.

(2) That the subject waterflood project is hereby designated the PETCO Red Lake Waterflood Project and shall be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

(3) That monthly progress reports of the waterflood project herein authorized shall be submitted to the Commission in accordance with Rules 704 and 1120 of the Commission Rules and Regulations.

(4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

  
DAVID F. CARGO, Chairman

  
GUYTON B. HAYS, Member

  
A. L. PORTER, Jr., Member & Secretary

