

**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. 4029
Order No. R-3664**

**APPLICATION OF GENERAL AMERICAN OIL
COMPANY FOR A WATERFLOOD EXPANSION,
EDDY COUNTY, NEW MEXICO.**

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on January 22, 1969, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 24th day of January, 1969, 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, General American Oil Company of Texas, seeks authority to expand its pilot waterflood project in the Grayburg zone of the San Andres formation in the Grayburg-Jackson Pool, Eddy County, New Mexico, authorized by Order No. R-2324, by the conversion to water injection of 13 additional injection wells located in Township 17 South, Ranges 29 and 30 East, NMPM, Eddy County, New Mexico.

(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 expanded pilot waterflood project should result in the recovery of otherwise unrecoverable oil,

-2-

CASE No. 4029

Order No. R-3664

thereby preventing waste; provided, however that unless agreed to by all parties, the transfer of allowables across lease lines where royalty ownership is diverse should not be authorized.

(5) That the subject application should be approved and the expanded project should be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations, including the allowable provisions thereof.

IT IS THEREFORE ORDERED:

(1) That the applicant, General American Oil Company of Texas, is hereby authorized to expand its pilot waterflood project in the Grayburg zone of the San Andres formation in the Grayburg-Jackson Pool, Eddy County, New Mexico, authorized by Order No. R-2324, by converting to water injection the following-described 13 additional injection wells in Eddy County, New Mexico:

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM

<u>LEASE</u>	<u>WELL NO.</u>	<u>UNIT</u>	<u>SECTION</u>
Keely "C"	8	A	25
Keely "B"	6	C	25
Keely "C"	10	E	25
Keely "C"	12	G	25
Keely "C"	20	I	25
Keely "C"	23	M	25
Keely "B"	10	I	26
Keely "B"	11	O	26
Keely "C"	16	K	26
Keely "C"	21	M	26
State	2	C	36

TOWNSHIP 17 SOUTH, RANGE 30 EAST, NMPM

<u>LEASE</u>	<u>WELL NO.</u>	<u>UNIT</u>	<u>SECTION</u>
Burch "B"	10	C	30
Burch "B"	11	E	30

(2) That the expanded pilot waterflood project shall be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations, including the allowable provisions thereof;

-3-

CASE No. 4029

Order No. R-3664

PROVIDED HOWEVER, that unless otherwise agreed to by all parties and evidence thereof furnished the Commission, the transfer of allowables within the project area of this expanded waterflood project shall be authorized only insofar as the transfer is made between wells having common royalty ownership.

(3) That monthly progress reports of the expanded 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.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


DAVID F. CARGO, Chairman


ALEX J. ARMIJO, Member


A. L. PORTER, Jr. Member & Secretary

