

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. 5460
Order No. R-5010

APPLICATION OF McCLELLAN OIL
CORPORATION 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 April 30, 1975, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 6th day of May, 1975, 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, McClellan Oil Corporation, seeks authority to institute a waterflood project in the East Henshaw Unit Area, West Henshaw-Grayburg Pool, by the injection of water into the Grayburg formation through eight injection wells in Sections 1 and 2, Township 16 South, Range 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 waterflood project should result in the recovery of otherwise unrecoverable oil, thereby preventing waste.

(5) That the operator should take all steps necessary to ensure that the injected water enters only the proposed injection interval and is not permitted to escape to other formations or onto the surface from injection, production, or plugged and abandoned wells.

(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.

-2-

Case No. 5460

Order No. R-5010

IT IS THEREFORE ORDERED:

(1) That the applicant, McClellan Oil Corporation, is hereby authorized to institute a waterflood project in the East Henshaw Unit Area, West Henshaw-Grayburg Pool, by the injection of water into the Grayburg formation through the following-described wells in Township 16 South, Range 30 East, NMPM, Eddy County, New Mexico:

<u>UNIT TRACT AND WELL NO.</u>	<u>UNIT LETTER</u>	<u>SECTION</u>
Tract 6 Well No. 1	F	1
Tract 10 Well No. 4	I	2
Tract 11 Well No. 1	L	1
Tract 13 Well No. 2	J	1
Tract 15 Well No. 6	O	2
Tract 19 Well No. 3	O	1
Tract 24 Well No. 1	Q	2
Tract 26 Well No. 4	S	1

(2) That injection into each of said wells shall be through tubing set in a packer set within 100 feet of the uppermost perforation in the well or, in the case of open hole completions, within 100 feet of the casing shoe.

(3) That the casing tubing annulus on each of said injection wells shall be loaded with an inert fluid and equipped with an acceptable leak detection device to determine leakage of the tubing, casing, or packer.

(4) That the operator shall immediately notify the Supervisor of the Commission's Artesia district office of the failure of the tubing or packer in any of said injection wells, the leakage of water or oil from around any producing well, or the leakage of water or oil from any plugged and abandoned well within the project area and shall take such timely steps as may be necessary or required to correct such failure or leakage.

(5) That the operator shall treat the water to be injected to control corrosion, shall install corrosion coupon monitoring equipment on the injection system; and shall file the results of the periodic examination of the coupons with the Santa Fe Office of the Commission.

(6) That the subject waterflood project is hereby designated the McClellan East Henshaw Unit Waterflood Project and shall be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

(7) 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.

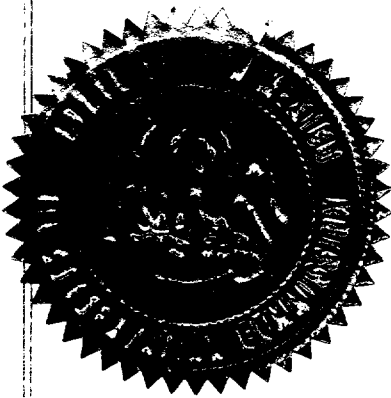
-3-

Case No. 5460

Order No. R-5010

(8) 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

I. R. Trujillo
I. R. TRUJILLO, Chairman

Phil R. Lucero
PHIL R. LUCERO, Member

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

S E A L

jr/