

STATE OF NEW MEXICO  
DEPARTMENT OF ENERGY AND MINERALS  
OIL CONSERVATION DIVISION

RECEIVED

IN THE MATTER OF THE APPLICATION  
OF THE EASTLAND OIL COMPANY FOR  
APPROVAL OF A SECONDARY RECOVERY  
UNIT AND WATERFLOOD PROJECT FOR  
ITS POWER GRAYBURG UNIT, EDDY  
COUNTY, NEW MEXICO.

NOV 9 1966  
OIL CONSERVATION DIVISION

CASE: 5786

A P P L I C A T I O N

Comes now THE EASTLAND OIL COMPANY, by and through its attorneys, Kellahin & Kellahin, and applies to the New Mexico Oil Conservation Division for approval of its Power Grayburg Unit and for approval of its secondary recovery waterflood project in the Power Grayburg-San Andres Pool, including a surface injection limitation pressure of 1,000 psi, and in support thereof would show:

1. Applicant is the proposed operator of the Power Grayburg Unit which consists of four federal leases in the following described acreage:

T18S, R30E, NMPM

Section 1: Lots 1 & 2 (N/2NE) and S/2NE/4

T18S, R31E, NMPM

Section 5: N/2NW/4 (Lots 3 & 4)

Section 6: N/2N/2; SW/4NW/4 (lots 1 thru 5)

Containing 427.44 acres, more or less, of federal lease acreage, Eddy County, New Mexico.

2. Applicant operates the following four wells which will be converted to injection wells in the Power Grayburg-San Andres Pool:

Sibyl Federal #2 Well: 330 FEL & 1650 FNL, Section 1, T18S, R30E, perforations: 3302-3428 feet.

Arco Federal #3 Well: 330 FEL & 1980 FWL, Section 5, T18S, R31E, perforations: 3474-3542 feet.

Allied Federal #2 Well: 660 FNL & 1980 FEL, Section 6, T18S, R31E, perforations: 3333-3444 feet.

Kenwood Federal #3 Well: 660 FNL & 660 FWL, Section 6, T18S, R31E, perforations: 3315-3441 feet.

3. Applicant proposes a surface limitation pressure of 1,000 psi (which exceeds the OCD guideline of .2 psi x footage depth) said pressure limitation being below the parting pressure of the formation.

4. That the proposed unit is logically subject to operation under unitization.

5. The proposed Unit is geologically suitable for waterflood operations.

6. The proposed Unit is appropriate to conserve natural resources by instituting secondary recovery operations.

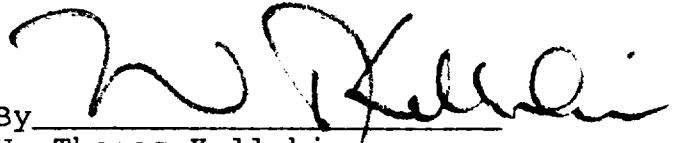
7. A sufficient number of working interest owners have approved the unit operations in order to give the applicant, as operator, effective control of the unit.

8. Applicant has completed and attached as an Exhibit to this application the New Mexico Oil Conservation Division Form C-108 with attachments.

9. Copies of this application and the Form C-108 are being sent to all offset operators and the surface owner by certified mail as of the date of submittal of this application.

10. Approval of this application is in the best interest of conservation, the prevention of waste and the protection of correlative rights.

Kellahin & Kellahin



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