

*Entered February 13, 1969
A.S.P.*

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. 4038
Order No. R-3678

APPLICATION OF KENNEDY OIL COMPANY
FOR A WATERFLOOD PROJECT AND WATER-
FLOOD BUFFER ZONE, EDDY COUNTY, NEW
MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on February 5, 1969, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 13th day of February, 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, Kennedy Oil Company, seeks permission to institute a waterflood project in the Square Lake Pool by the injection of water into the Grayburg and San Andres formations through its Carper Federal Well No. 2, located in Unit K of Section 19, Township 16 South, Range 31 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.

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(5) That the applicant further proposes that the N/2 SW/4 of said Section 19 be designated a waterflood buffer zone inasmuch as it directly offsets a capacity-type waterflood project immediately south and east.

(6) That approval of the proposed buffer zone will afford the applicant the opportunity to produce its just and equitable share of the oil in the pool.

(7) 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, provided however, that capacity allowables may be assigned to the wells in the N/2 SW/4 of said Section 19.

IT IS THEREFORE ORDERED:

(1) That the applicant, Kennedy Oil Company, is hereby authorized to institute a waterflood project in the Square Lake Pool by the injection of water into the Grayburg and San Andres formations through its Carper Federal Well No. 2, located in Unit K of Section 19, Township 16 South, Range 31 East, NMPM, Eddy County, New Mexico.

(2) That the subject waterflood project is hereby designated the Kennedy Square Lake Carper Waterflood Project and shall be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations, provided however, that the N/2 SW/4 of Section 19, Township 16 South, Range 31 East, NMPM, Eddy County, New Mexico, is hereby designated a waterflood buffer zone wherein water can be injected and wells produced at rates comparable with the capacity-type waterflood projects in the S/2 SW/4 and the SE/4 of said Section 19.

(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


ALEX J. ARMIJO, Member


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

S E A L

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