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May 1, 1969

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MAY 2 1969

New Mexico Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Attention: Mr. A. L. Porter, Jr.  
Secretary - Director

Case 4140

Gentlemen:

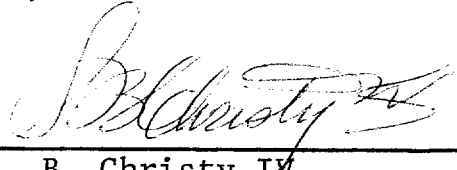
In compliance with the Commission's Rule 701, we enclose herewith in triplicate Application for Approval of Secondary Recovery relating to the Milnesand (San Andres) Pool in Roosevelt County, New Mexico.

It is our understanding that the matter has been set for Examiner hearing on May 21, 1969 in Santa Fe, New Mexico.

Respectfully,

HINKLE, BONDURANT & CHRISTY

By

  
S. B. Christy IV

SBC:pv

Encls.

cc: Allied Chemical Corporation

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BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

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

The Application of Allied Chemical  
Corporation for Approval of a Secondary  
Recovery Program Covering the Milnesand  
(San Andres) Unit Area in Roosevelt  
County, New Mexico.

Case No. 4140

New Mexico Oil Conservation Commission  
Santa Fe  
New Mexico

COMES NOW the undersigned, Allied Chemical Corporation, and  
pursuant to the Commission's Rule 701 respectfully requests  
approval to a secondary recovery program covering the Milnesand  
(San Andres) unit area in Roosevelt County, New Mexico, embracing  
5,370.18 acres, more or less, more particularly described as follows:

Township 8 South, Range 34 East, N.M.P.M.

Section 12:  $NE\frac{1}{4}NW\frac{1}{4}$ ,  $N\frac{1}{2}NE\frac{1}{4}$ ,  $S\frac{1}{2}N\frac{1}{2}$ ,  $S\frac{1}{2}$   
Section 13: All  
Section 14:  $E\frac{1}{2}$   
Section 23:  $NE\frac{1}{4}$ ,  $NE\frac{1}{4}SE\frac{1}{4}$   
Section 24:  $N\frac{1}{2}$ ,  $N\frac{1}{2}S\frac{1}{2}$ ,  $SE\frac{1}{4}SW\frac{1}{4}$ ,  $S\frac{1}{2}SE\frac{1}{4}$   
Section 25:  $NE\frac{1}{4}$ ,  $E\frac{1}{2}SE\frac{1}{4}$

Township 8 South, Range 35 East, N.M.P.M.

Section 5:  $SW\frac{1}{4}$ ,  $W\frac{1}{2}SE\frac{1}{4}$   
Section 6:  $S\frac{1}{2}S\frac{1}{2}$   
Section 7: All  
Section 8:  $N\frac{1}{2}NW\frac{1}{4}$ ,  $SW\frac{1}{4}NW\frac{1}{4}$ ,  $NW\frac{1}{4}NE\frac{1}{4}$   
Section 18: All  
Section 19: All  
Section 20:  $W\frac{1}{2}W\frac{1}{2}$ ,  $E\frac{1}{2}SW\frac{1}{4}$ ,  $S\frac{1}{2}SE\frac{1}{4}$

and states:

1. Applicant is the Unit Operator of the Milnesand (San Andres)  
Unit and as such has the authority to make this application in

behalf of all operators owning unitized substances underlying the above lands.

2. That applicant proposes to institute a secondary recovery waterflood project on said unit area by the injection of water into the San Andres Formation underlying unitized wells through some 33 wells, as more particularly reflected in an attached plat showing the location of the proposed injection wells, and other wells within the unitized area.

3. At the hearing on this application, applicant will furnish to the Commission the following:

(a) A plat showing the location of the proposed injection wells and the location of all other wells within a radius of two miles from said proposed injection wells and the formations from which said wells are producing or have produced. The plat will also indicate the lessees, if any there be, within said two mile radius.

(b) The log of the proposed injection wells if the same is available.

(c) A diagrammatic sketch of the proposed injection wells, showing all casing strings, including diameters and setting depths, quantities used and tops of cement, perforated or open hole intervals, tubing strings, including diameters and setting depths, and type and location of packers, if any.

(d) Other pertinent information including the name and depth of the zone or formation into which injection will be made, the kind of fluid to be injected, the anticipated volumes to be injected, and the source of said injection fluid.

4. Applicant believes and upon such information and belief states that all wells within the unitized area have now reached an advanced stage of depletion and are regarded as what is commonly referred to as "stripper" wells.

5. The proposed area of the waterflood project, aforementioned, will comprise the proration units upon which injection wells are located plus all proration units which directly or diagonally offset the injection tracts and have producing wells completed on them in the same formation; provided, however, that additional proration units not directly or diagonally offsetting an injection tract may be included in the waterflood project area if it is established that such additional units have wells completed thereon which have experienced a substantial response to water injection.

6. Applicant understands and agrees that the maximum allowable assigned to the waterflood project area shall be determined by multiplying the number of proration units in the project area times the basic Area Allowable Factor times the appropriate proportional (depth) factor for the Milnesand (San Andres) pool, and that the allowable assigned to such waterflood project area in which there are proration units containing more than one well shall be increased by an amount of oil equal to 0.333 times the basic Area Allowable Factor times the proportional (depth) factor for said pool for each such additional well on the proration unit; provided, however, that the additional allowable for any such proration unit shall not exceed the basic Area Allowable Factor times the proportional (depth) factor for the pool. Applicant understands and agrees that the project area allowable may be produced from any well

or wells in the project area in any proportion, and that production from the waterflood project area will be identified as such on the monthly Commission Form C-115. Applicant also agrees to the other terms and provisions of the Commission's Rule 701 relating to secondary recovery projects.

7. Although it is presently believed that the conversion of the 33 wells, aforesaid, to be converted for the purpose of water injection into unitized formations under the terms of said Unit Agreement will be sufficient for the secondary recovery project, applicant nevertheless requests that the Commission's Order provide for administrative approval for conversion to water injection of other wells within the unit area as permitted by the Commission's Rule 701(E)(5).


WHEREFORE, applicant respectfully requests that a public hearing be held on the matter for approval of the above secondary recovery program, including the establishment of an administrative procedure whereby said project may be expanded, and for such other relief as applicant may be entitled.

DATED this first day of May, 1969.

Respectfully submitted,

ALLIED CHEMICAL CORPORATION

By

  
S. B. Christy IV, as a Member of  
the Firm of Hinkle, Bondurant &  
Christy  
P. O. Box 10  
Roswell, New Mexico 88201  
Attorneys for Applicant

