

Entered January 5, 1973
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. 4881
Order No. R-3628-C

APPLICATION OF ANADARKO PRODUCTION
COMPANY FOR TWO UNORTHODOX OIL WELL
LOCATIONS, EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on December 19, 1972, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 5th day of January, 1973, 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, Anadarko Production Company, is the operator of the Far West Loco Hills Sand Unit Waterflood Project, approved by Commission Order No. R-3628, for its Far West Loco Hills Sand Unit Area, Loco Hills Pool, Eddy County, New Mexico.

(3) That the applicant seeks authority to drill two producing oil wells in said waterflood project area at unorthodox locations 1980 feet from the South line and 1310 feet from the West line of Section 9 and 1310 feet from the North line and 1980 feet from the East line of Section 16, both in Township 18 South, Range 29 East, Loco Hills Pool, Eddy County, New Mexico.

(4) That the proposed unorthodox locations are necessary to complete an efficient oil producing pattern.

(5) That the applicant further seeks the amendment of the aforesaid Order No. R-3628, as amended by Order No. R-3628-A, to provide for the establishment of an administrative procedure whereby the Secretary-Director of the Commission may authorize expansion of said Far West Loco Hills Sand Unit Waterflood Project to include additional lands and injection wells and producing wells at orthodox and unorthodox locations as may be necessary to complete an efficient injection and producing pattern.

-2-

Case No. 4881

Order No. R-3628-C

(6) That approval of the aforesaid amendment will afford the applicant the opportunity to produce its just and equitable share of the oil in the Loco Hills Pool, and will otherwise prevent waste and protect correlative rights, provided said producing wells and injection wells are drilled no closer than 330 feet to the outer boundary of said Far West Loco Hills Sand Waterflood Unit nor closer than 10 feet to any quarter-quarter section or subdivision inner boundary.

(7) That the Far West Loco Hills Sand Waterflood Project should be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

IT IS THEREFORE ORDERED:

(1) That the applicant, Anadarko Production Company, is hereby authorized to drill two producing oil wells in the Far West Loco Hills Sand Waterflood Project in its Far West Loco Hills Sand Unit Area, Loco Hills Pool, at unorthodox locations 1980 feet from the South line and 1310 feet from the West line of Section 9 and 1310 feet from the North line and 1980 feet from the East line of Section 16, both in Township 18 South, Range 29 East, NMPM, Loco Hills Pool, Eddy County, New Mexico.

(2) That Order (2) of Order No. R-3628, as amended by Order No. R-3628-A, is hereby amended to read in its entirety as follows:

"(2) That the Anadarko Far West Loco Hills Sand Unit Waterflood Project shall be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations;

PROVIDED HOWEVER, that the Secretary-Director of the Commission may approve expansion of the Far West Loco Hills Sand Unit Waterflood Project to include such additional lands and injection wells and producing wells at orthodox and unorthodox locations as may be necessary to complete an efficient injection and producing pattern, provided said wells are drilled no closer than 330 feet to the outer boundary of said Far West Loco Hills Sand Unit nor closer than 10 feet to any quarter-quarter section or subdivision inner boundary, and provided that the application therefor has been filed in accordance with Rule 701 B of the Commission Rules and Regulations, and provided further, that a copy of the application has been sent to all offset operators, if any there be, and no such operator has objected within 15 days."

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

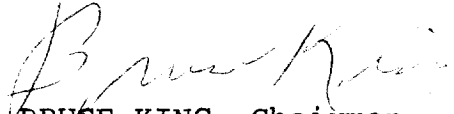
-3-

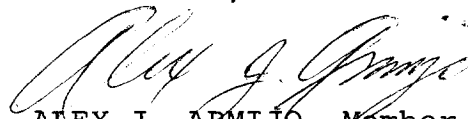
Case No. 4881


Order No. R-3628-C

DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


BRUCE KING, Chairman


ALEX J. ARMIJO, Member


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

S E A L

dr/