

Entered March 16, 1973
A.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. 4912
Order No. R-4493

Nomenclature

APPLICATION OF ANADARKO PRODUCTION
COMPANY FOR A WATERFLOOD PROJECT,
SPECIAL RULES, UNORTHODOX LOCATIONS,
AND POOL REDELINEATION, EDDY COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on February 28, 1973, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 16th day of March, 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, seeks authority to institute a waterflood project by the injection of water into the Grayburg and San Andres formations underlying its Ballard Grayburg San Andres Unit Area in Sections 4, 5, 6, 7, 8, 9, 17, and 18, Township 18 South, Range 29 East, NMPM, Loco Hills Pool, Eddy County, New Mexico.
- (3) That said injection would be accomplished through 23 wells at orthodox and unorthodox locations, with 15 wells serving as injection wells into the Grayburg formation, five wells serving as injection wells into the San Andres formation, and three wells serving as dual injection wells into the Grayburg and San Andres formations.
- (4) That the applicant also seeks the deletion of the NW/4 of Section 7, Township 18 South, Range 29 East, NMPM, from the Artesia Pool and the extension of the Loco Hills Pool to include said lands therein.

(5) Applicant further seeks approval of a procedure for the administrative approval of additional injection and producing wells at orthodox and unorthodox locations without notice and hearing.

(6) That the wells in the proposed project area are in an advanced state of depletion and should properly be classified as "stripper" wells.

(7) That the proposed waterflood project should result in the recovery of otherwise unrecoverable oil, thereby preventing waste.

(8) That to include all of the proposed waterflood project and the Ballard Grayburg Jackson Unit Area within the horizontal limits of one pool as designated by the Commission, the Artesia Pool should be contracted and the Loco Hills Pool extended as described in Finding No. (4) above.

(9) That approval of the requested administrative procedure will afford the applicant the opportunity to produce its just and equitable share of the oil in the Loco Hills Pool, provided the wells are drilled no closer than 330 feet to the outer boundary of the Ballard Grayburg Jackson Unit Area nor closer than ten feet to any quarter-quarter section or subdivision inner boundary.

(10) 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.

IT IS THEREFORE ORDERED:

(1) That the applicant, Anadarko Production Company, is hereby authorized to institute a waterflood project in the Ballard Grayburg-Jackson Unit Area, Loco Hills Pool, by the injection of water into the Grayburg and San Andres formations through the following-described wells in Township 18 South, Range 29 East, NMPM, Eddy County, New Mexico:

<u>Tract No.</u>	<u>Well No.</u>	<u>Footage Description</u>	<u>Section</u>
8	5	20' from North line, 1500' from East line	5
13	3	20' from North line, 1200' from West line	5
23	1	Within 330' of well located 2310' from South line, 990' from West line	5

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<u>Tract No.</u>	<u>Well No.</u>	<u>Footage Description</u>	<u>Section</u>
25	3	Within 330' of well located 1980' from South line, 1980' from East line	5
5	3	330' from South line, 2310' from East line	8
5	8	2310' from South line, 1980' from East line	8
14	3	990' from South line, 990' from West line	8
21	1	2310' from South line, 990' from West line	8
5	6	990' from North line, 2310' from East line	8
12	2	990' from North line, 990' from West line	8
6	18	1980' from South line, 1980' from East line	6
7	3	660' from North line, 1980' from East line	17
10	2	Within 330' of well located 990' from North line, 380' from West line	4
20	12	660' from North line, 660' from West line	17
21	2	1980' from South line, 660' from West line	8
26	1	Within 330' of well located 2310' from South line, 330' from West line	4
5	13	1310' from South line, 20' from East line	8
1	6	990' from North line, 330' from West line	7
2	3	660' from North line, 1980' from East line	7
5	4	1650' from South line, 2310' from East line	8
17	3	660' from North line, 1980' from East line	6
22	4	990' from North line, 330' from West line	9
5	10	990' from North line, 990' from East line	8

PROVIDED HOWEVER, injection into each of the aforesaid wells shall be through plastic-lined tubing set in a packer located as close as is practicable to the uppermost perforation or the casing shoe, whichever is applicable, and provided further, that the casing-tubing annulus of each well shall be loaded with an inert fluid and equipped with a pressure gauge at the surface.

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(2) That the subject waterflood project is hereby designated the Anadarko Ballard GSA Unit Loco Hills Waterflood Project and shall be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

(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 the Artesia Pool, as heretofore classified, defined, and described, is hereby contracted by the deletion of the NW/4 of Section 7, Township 18 South, Range 29 East, NMPM.

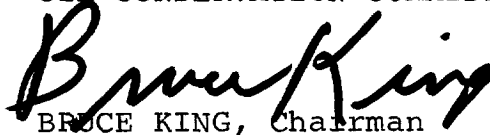
(5) That the Loco Hills Pool, as heretofore classified, defined, and described, is hereby extended to include therein the NW/4 of Section 7, Township 18 South, Range 29 East, NMPM.

(6) That the Secretary-Director of the Commission may approve additional producing and injection wells at orthodox and unorthodox locations within the Ballard Grayburg Jackson Unit Area as may be necessary to complete an efficient production and injection pattern; provided said wells shall be drilled no closer than 330 feet to the outer boundary of the Ballard Grayburg Jackson Unit Area nor closer than ten feet to any quarter-quarter section or subdivision inner boundary, and provided the application therefor has been filed in accordance with Rule 701 B of the Commission Rules and Regulations.


(7) 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


BRUCE KING, Chairman


ALEX J. ARMIJO, Member


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

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