

Entered July 30, 1974
A.L.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. 5268
Order No. R-4830

APPLICATION OF ANADARKO PRODUCTION
COMPANY, GENERAL AMERICAN OIL COMPANY OF
TEXAS AND SHENANDOAH OIL CORPORATION FOR
FOUR WATERFLOOD PROJECTS, EDDY COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on July 10, 1974,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 30th day of July, 1974, 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 applicants, Anadarko Production Company,
General American Oil Company of Texas and Shenandoah Oil Corpora-
tion, seek authority to institute four waterflood projects in
the Grayburg-Jackson Pool, by the injection of water into the
Grayburg and San Andres formations through injection wells as
follows:

Project No. 1: Anadarko's Loco Hills "A" Federal
lease by the conversion of four wells in Sections 10
and 15 to water injection;

Project No. 2: Anadarko's Loco Hills "B" Federal
lease by the conversion of three wells in Section 9;

Project No. 3: General American Parke "F" lease
by the conversion of one well in Section 10;

Project No. 4: Shenandoah's Parke "B" lease by
the conversion of two wells in Section 15.

-2-

Case No. 5268

Order No. R-4830

(3) That the proposed Project No. 4 is within an area previously approved as a waterflood project, being the Shenandoah Grayburg-Jackson Parke Waterflood Project approved by Order No. R-4133 dated April 19, 1971, and the proposed project should be designated an extension of said project.

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

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

(6) That the operators should take all steps necessary to ensure that the injected water enters only the proposed injection interval and is not permitted to escape to other formations or onto the surface from injection, production or plugged and abandoned wells.

(7) That the subject application should be approved and the projects 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 applicants, Anadarko Production Company and General American Oil Company of Texas, are hereby authorized to institute waterflood projects in the Grayburg-Jackson Pool, by the injection of water into the Grayburg-San Andres formation through the following-described wells in Township 17 South, Range 30 East, NMPM, Eddy County, New Mexico:

Project No. 1: Anadarko's Loco Hills "A" Federal lease by the conversion of the following four wells to water injection: Well No. 2 in Unit N of Section 10; Well No. 5 in Unit L of Section 10; Well No. 6 in Unit D of Section 15; Well No. 7 in Unit F of Section 15.

Project No. 2: Anadarko's Loco Hills "B" Federal lease by the conversion of the following three wells in Section 9 to water injection: Well No. 1 in Unit P; Well No. 5 in Unit J; Well No. 7 in Unit N.

Project No. 3: General American's Parke "F" lease by the conversion to water injection of its Well No. 2 in Unit J of Section 10.

(2) That the applicant, Shenandoah Oil Corporation, is hereby authorized to extend its Grayburg-Jackson Parke Waterflood Project in Township 17 South, Range 30 East, Grayburg-Jackson Pool, Eddy County, New Mexico, by the conversion of

-3-

Case No. 5268
Order No. R-4830

the following two wells in Section 15 to water injection:
Well No. 6 in Unit G; Well No. 7 in Unit A.

(3) That injection into each of said wells shall be through plastic or cement-lined tubing, set in a packer which shall be located as near as practicable to the uppermost perforations, or, in the case of open-hole completions, as near as practicable to the casing-shoe; that the casing-tubing annulus shall be loaded with an inert fluid and equipped with an approved pressure gauge or attention attracting leak detection device.

(4) That the operators shall immediately notify the Supervisor of the Commission's Artesia District Office of the failure of the tubing or packer in any of said injection wells, the leakage of water or oil from around any producing well, or the leakage of water or oil from any plugged and abandoned well within the project area, and shall take such timely steps as may be necessary or required to correct such failure or leakage.

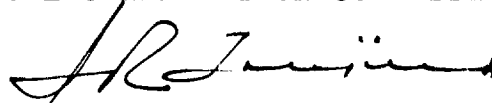
(5) That the three newly authorized subject waterflood projects are hereby designated the Anadarko Grayburg-Jackson Loco Hills "A" Waterflood Project, the Anadarko Grayburg-Jackson Loco Hills "B" Waterflood Project, and the General American Grayburg-Jackson Parke "F" Waterflood Project, respectively, and shall be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

(6) That monthly progress reports of the waterflood projects herein authorized shall be submitted to the Commission in accordance with Rules 704 and 1120 of the Commission Rules and Regulations.

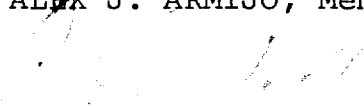
(7) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


I. R. TRUJILLO, Chairman

ALEX J. ARMIJO, Member


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

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