

CASE 4760: Appli. of ANADARKO  
PRODUCTION FOR A WATERFLOOD  
PROJECT, LEA COUNTY.

Case Number

4760

Application

Transcripts

Small Exhibits

ETC.



BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
CONFERENCE ROOM, STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO

August 9, 1972

EXAMINER HEARING

IN THE MATTER OF:

Application of Anadarko Production ) Case No. 4760  
Company for a waterflood project, )  
Lea County, New Mexico. )

BEFORE: Elvis A. Utz,  
Examiner.

TRANSCRIPT OF HEARING

dearnley, meier & mc cormick

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MR. UTZ: Case 4760.

MR. HATCH: Case 4760: Application of Anadarko  
Production Company for a waterflood project, Lea County,  
New Mexico. If the Examiner please, this case was heard  
on July 26th, I believe-- rather, July 12th, and due to some  
of the evidence that appeared, it was felt that it needed  
to be readvertised. In the absence of objections, I would  
suggest that an order be issued on the testimony in evidence  
that was presented on that date.

MR. UTZ: Is there any objection to counsel's  
statement on Case 4760?

(No response)

MR. UTZ: Does anyone have any additional evidence?

(No response)

MR. UTZ: Case 4760 will be taken under advisement  
and an order will be issued based on the July 12th testimony.

1 STATE OF NEW MEXICO )  
 2 COUNTY OF BERNALILLO ) ss

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I, RICHARD E. McCORMICK, a Certified Shorthand Reporter, in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me; and that the same is a true and correct record of the said proceedings to the best of knowledge, skill and ability.

*Richard E. McCormick*  
 CERTIFIED SHORTHAND REPORTER

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 4760 heard by me on Aug 9, 1972.  
*[Signature]*  
 New Mexico Oil Conservation Commission

dearnley, meier & mc cormick

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BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
CONFERENCE ROOM, STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO  
July 12, 1972

EXAMINER HEARING

IN THE MATTER OF:

Application of Anadarko  
Production Company for a  
waterflood project, Lea  
County, New Mexico.

Case No. 4760.

BEFORE: Richard L. Stamets,  
Examiner.

TRANSCRIPT OF HEARING

1 MR. STAMETS: Case 4760.

2 MR. HATCH: Case 4760: Application of Anadarko  
3 Production Company for a waterflood project, Lea County,  
4 New Mexico.

5 MR. KELLAHIN: James Kellahin, of Kellahin and  
6 Fox, Santa Fe, appearing for the Applicant. We have one  
7 witness I would like to have sworn.

8 C. W. STUMHOFFER,  
9 was called as a witness, and after being duly sworn,  
10 testified as follows:

11 DIRECT EXAMINATION

12 BY MR. KELLAHIN:

13 Q Would you state your name, please?

14 A C. W. Stumhoffer, S-t-u-m-h-o-f-f-e-r.

15 Q By whom are you employed and in what position?

16 A Anadarko Production Company, as a petroleum engineer  
17 for secondary recovery in Houston, Texas.

18 Q Have you testified before the Oil Conservation Commission  
19 and made your qualifications as an engineer a matter  
20 of record?

21 A Yes, I have.

22 MR. KELLAHIN: Are the witness' qualifications  
23 acceptable?

24 MR. STAMETS: They are.

25 Q (By Mr. Kellahin) Are you familiar with the application

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1 of Anadarko in Case 4760?

2 A Yes, I am.

3 Q Briefly tell us what is proposed by the Applicant  
4 in this case.

5 A In Case 4760, Anadarko Production Company seeks to  
6 institute a waterflood project by the injection of  
7 water into the Penrose-Skelley Pool by the injection  
8 of water through the R.E. Cole Well Number Three  
9 located in the Southwest quarter of the Southwest  
10 quarter of Section 16 and the E. W. Walden Well Number  
11 Six located in the Southeast quarter of the Southwest  
12 quarter of Section 16, Township 22 South, Range 37  
13 East, Lea County, New Mexico.

14 Q Now, referring you to what has been marked Applicant's  
15 Exhibit One, would you identify that exhibit, please?

16 A Exhibit One shows the reference leases that have just  
17 previously been described and the offset water  
18 development under the Penrose-Skelley Unit.

19 Q Now, the Penrose Unit has been approved as a waterflood  
20 project by the Commission, has it not?

21 A Yes.

22 Q Now, the wells circled in red in the northern portion  
23 are those injection wells which have been approved  
24 as injection wells, are they not?

25 A The wells that are circled in red in the North end of



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1 the unit are proposed water injection wells.

2 Q And they have been approved by the Commission?

3 A Yes.

4 Q Now, the application before the Commission today is  
5 just an extension of the Langlie Mattix-Penrose Sand  
6 Unit, is it not?

7 A The application we are proposing, which is initial  
8 waterflood development on the Langlie Mattix-Penrose  
9 Unit, is proposed for waterflooding the Penrose Sand  
10 Reservoir. In this application, we propose to convert  
11 the water injection in the R. E. Cole Well Number  
12 Three located in the Southwest quarter of Section 16  
13 and the E. W. Walden Well Number Six located in the  
14 Southeast quarter of the Southwest quarter of Section 15  
15 for water injection into the Penrose Sand Reservoir,  
16 and it will be in cooperation with the Langlie Mattix-  
17 Penrose water flood project.

18 Q Your exhibit also shows a Continental Oil Well located  
19 in the Southeast of the Southeast of Section 15, will  
20 that be an injection well too?

21 A Yes, it is proposed to be an injection well, and it  
22 will be converted as part of the lease agreement between  
23 Langlie Mattix.

24 Q Would you explain Exhibit Two, please?

25 A Exhibit Two is a gamma ray neutron log of the R. E. Cole

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- 1 Well Number Three showing the zone that is open for  
2 production with a perforation from 3,480 to 3,642.  
3 The exhibit indicates the surface casing setting, the  
4 production casing setting, the cementing, and the  
5 top of the cement at initial completion of the well,  
6 and what we propose to do with the well as a water  
7 injection well. We propose to inject produced water  
8 from a salt water disposal system into these perforations  
9 through plastic coated tubing set in a five and a half  
10 inch casing at an approximate depth of thirty-four  
11 hundred feet. The water will be injected at a rate of  
12 approximately 500 barrels per day at a maximum surface  
13 pressure of 2,250 pounds. We propose that it be  
14 open to the surface and filled with injection water so  
15 we can detect any leakage of the Packer.
- 16 Q Will the water be treated?  
17 A Yes.
- 18 Q Is this the same water that is being used in the other  
19 water floods to the South?  
20 A Well, it is comparable water, it's not the same, but  
21 it is comparable.
- 22 Q Have you had any problems in using that water for  
23 injection purposes?  
24 A No, we have not.
- 25 Q Will your other well be completed in the same manner

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- 1 which you have discussed here?
- 2 A Yes. I refer you to Exhibit Three which shows it will
- 3 be completed in the same manner, except that it will
- 4 be injection into an open hole instead of through
- 5 perforation.
- 6 Q But it will be under coated tubing?
- 7 A Yes, sir.
- 8 Q And you will leave the annulus open to the surface?
- 9 A That is correct.
- 10 Q Now, this application is for the injection of water
- 11 into the Penrose-Skelley Pool, is that the same
- 12 formation as the Langlie Mattix-Penrose?
- 13 A No, it is not.
- 14 Q What is the difference?
- 15 A The Langlie Mattix also includes the bottom one hundred
- 16 feet of the Seven-Rivers and Queen formations.
- 17 Q Are your wells open in the Grayburg?
- 18 A Yes, they are.
- 19 Q Do you want to inject into the Grayburg as well as
- 20 into the Penrose?
- 21 A Yes, we would like to.
- 22 Q Insofar as injection into the Penrose is concerned, it
- 23 will be offset to your Langlie Mattix-Penrose Sand Unit?
- 24 A Yes.
- 25 Q Were Exhibits One through Three prepared by you?

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1 A Yes.

2 MR. KELLAHIN: I would like to offer Exhibits  
3 One, Two, and Three.

4 MR. STAMETS: Any objections?

5 (No response)

6 MR. STAMETS: They will be admitted in evidence.

7 (Whereupon Applicant's Exhibits One through Three  
8 were admitted in evidence.)

9 Q (By Mr. Kellahin) Will the approval of this application  
10 result in your recovery of oil that would not otherwise  
11 be recovered?

12 A Yes.

13 Q Would the correlative rights of the various operators  
14 offsetting your acreage be protected?

15 A Yes, sir.

16 I would like to add that we are operating under  
17 a proration unit and under Rule 701, we would like  
18 to request administrative approval for additional  
19 conversion on this particular acreage so we could  
20 divert other wells on this acreage.

21 MR. KELLAHIN: That's all I have.

22 CROSS EXAMINATION

23 BY MR. STAMETS:

24 Q Under 701, is it your understanding that basically  
25 there would be two separate floods here even though

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1 they might be called the same thing?

2 A Yes.

3 Q And there would be no transfer of allowables?

4 A No, we can't physically do that.

5 Q And would you have a cooperative water flood in the  
6 Langlie Mattix-Penrose Sand Unit?

7 A Yes, sir.

8 Q I wish you would run over the last of your testimony  
9 again concerning the difference between the Langlie  
10 Mattix-Penrose Sand Unit flood and the surrounding  
11 flooding and what you propose here.

12 A In the Langlie Mattix, the Langlie Mattix Oil Pool is  
13 producing horizontally and it is defined as having  
14 the lower one hundred feet of the Seven-Rivers which  
15 is not productive in this area. The Queen formation  
16 which includes the Penrose Sand Unit, all the wells  
17 are completed in the Penrose Sand and it does not  
18 penetrate the Grayburg. The well we are proposing to  
19 water inject is in the Penrose-Skelley Pool, and the  
20 producing formation is designed as the Queen formation  
21 which includes the Penrose and the Grayburg formations.  
22 We would like to have permission to inject into the  
23 Penrose Sand as well as into the Grayburg.

24 Q Are the completed wells both Penrose and Grayburg?

25 A Yes, sir.

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1 Q So any oil which might be driven to the producing  
2 wells by the injection wells in the Langlie Mattix-  
3 Penrose Unit would be producible through the producing  
4 wells?

5 A Yes.

6 Q And I presume they are open to the Grayburg as well?

7 A Yes, and under the Grayburg. If the Grayburg proves  
8 successful, we will expand the waterflood into the  
9 Grayburg on a cooperative basis.

10 MR. STAMETS: Are there any other questions of  
11 this witness?

12 (No response)

13 MR. STAMETS: If not, he may be excused.

14 (Witness excused.)

15 MR. STAMETS: Is there any additional testimony  
16 in this case?

17 MR. KELLAHIN: No, sir.

18 MR. STAMETS: Any statements?

19 (No response)

20 MR. STAMETS: Case 4760 will be taken under  
21 advisement.

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1 STATE OF NEW MEXICO )  
 ) SS  
 2 COUNTY OF BERNALILLO )

3 I, RICHARD E. MCCORMICK, a Certified Shorthand Reporter,  
 4 in and for the County of Bernalillo, State of New Mexico  
 5 do hereby certify that the foregoing and attached Transcript  
 6 of Hearing before the New Mexico Oil Conservation Commission  
 7 was reported by me; and that the same is a true and correct  
 8 record of the said proceedings to the best of my knowledge,  
 9 skill and ability.

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 11 *Richard E. McCormick*  
 12 CERTIFIED SHORTHAND REPORTER  
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I do hereby certify that the foregoing is  
 a complete record of the proceedings in  
 the hearing of Case No. 4760,  
 held by me on July 12, 1977.  
*Richard E. McCormick*, Reporter  
 New Mexico Oil Conservation Commission

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1	<u>I N D E X</u>		
2	<u>WITNESS</u>		<u>PAGE</u>
3	C. W. STUMHOFFER		
4	Direct Examination by Mr. Kellahin		3
5	CROSS Examination by Mr. Stamets		8
6			
7			
8			
9			
10			
11	<u>E X H I B I T S</u>		
12	<u>APPLICANT'S</u>	<u>ADMITTED</u>	<u>OFFERED</u>
13	Exhibit 1	8	4
14	Exhibit 2	8	5
15	Exhibit 3	8	7
16			
17			
18			
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# OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO  
P. O. BOX 2088 - SANTA FE  
87501

GOVERNOR  
BRUCE KING  
CHAIRMAN

LAND COMMISSIONER  
ALEX J. ARMIJO  
MEMBER

STATE GEOLOGIST  
A. L. PORTER, JR.  
SECRETARY - DIRECTOR

August 29, 1972

Mr. Jason Kellahin  
Kellahin & Fox  
Attorneys at Law  
Post Office Box 1769  
Santa Fe, New Mexico

Re: Case No. 4760

Order No. R-4374

Applicant: \_\_\_\_\_

Anadarko Production Company

Dear Sir:

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

Very truly yours,

A. L. PORTER, Jr.  
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC X

Artesia OCC \_\_\_\_\_

Aztec OCC \_\_\_\_\_

Other State Engineer Office

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. 4760  
Order No. R-4374

APPLICATION OF ANADARKO PRODUCTION  
COMPANY FOR A WATERFLOOD PROJECT,  
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

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

NOW, on this 28th day of August, 1972, 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 Langlie Mattix Penrose Sand Unit Waterflood Project, Langlie Mattix Pool, Lea County, New Mexico.

(3) That the applicant seeks authority to institute two cooperative waterflood projects adjacent to said waterflood project by injection of water into the Queen and Grayburg formations through two injection wells in Sections 15 and 16, Township 22 South, Range 37 East, NMPM, Penrose Skelly Pool, Lea County, New Mexico.

(4) That the wells in the project areas 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 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.

-2-

CASE NO. 4760  
Order No. R-4374

(7) That applicant further requests establishment of an administrative procedure whereby the conversion of additional wells to injection may be approved administratively without a showing of well response to water injection.

IT IS THEREFORE ORDERED:

(1) That the applicant, Anadarko Production Company, is hereby authorized to institute two waterflood projects in the Penrose-Skelly Pool, by the injection of water into the Queen and Grayburg formations through the following-described wells in Township 22 South, Range 37 East, NMPM, Lea County, New Mexico:

ANADARKO COLE PENROSE SKELLY WATERFLOOD PROJECT

Well Name	Well No.	Unit	Sec.	Twn.	Rge.
R. E. Cole	3	M	16	22 S	37 E

ANADARKO WALDEN PENROSE SKELLY WATERFLOOD PROJECT

Well Name	Well No.	Unit	Sec.	Twn.	Rge.
E. W. Walden	6	N	15	22 S	37 E

(2) That the subject waterflood projects 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 projects herein authorized shall be submitted to the Commission in accordance with Rules 704 and 1120 of the Commission Rules and Regulations.

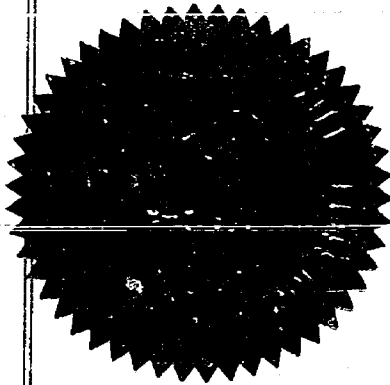
(4) That the Secretary-Director may approve expansion of the subject waterflood projects to include such additional lands and injection wells in the area of the projects as may be necessary to complete an efficient water injection pattern; that the showing of well response as required by Rule 701 E-5 shall not be necessary before obtaining administrative approval for conversion of additional wells to water injection.

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

-3-

CASE NO. 4760  
Order No. R-4374

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



STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

*Bruce King*  
BRUCE KING, Chairman

*Alex J. Armijo*  
ALEX J. ARMILLO, Member

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

S E A L

dr/

CASE 4759: Application of Atlantic Richfield Company for a special gas-oil ratio limitation, Lea County, New Mexico. Applicant, in the above-styled cause, seeks as an exception to Rule 506 of the Commission Rules and Regulations, a limiting gas-oil ratio limitation of 6,000 cubic feet of gas per barrel of oil in the Justis Tubb-Drinkard Pool, Lea County, New Mexico.

CASE 4732: (Continued from the June 7, 1972 Examiner Hearing)  
Application of Continental Oil Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle production from the Skaggs-Glorieta, East Weir-Blinbry, and Skaggs-Drinkard Pools in the wellbore of its Skaggs "B" Well No. 5 located 990 feet from the North line and 1700 feet from the West line of Section 12, Township 20 South, Range 37 East, Lea County, New Mexico.

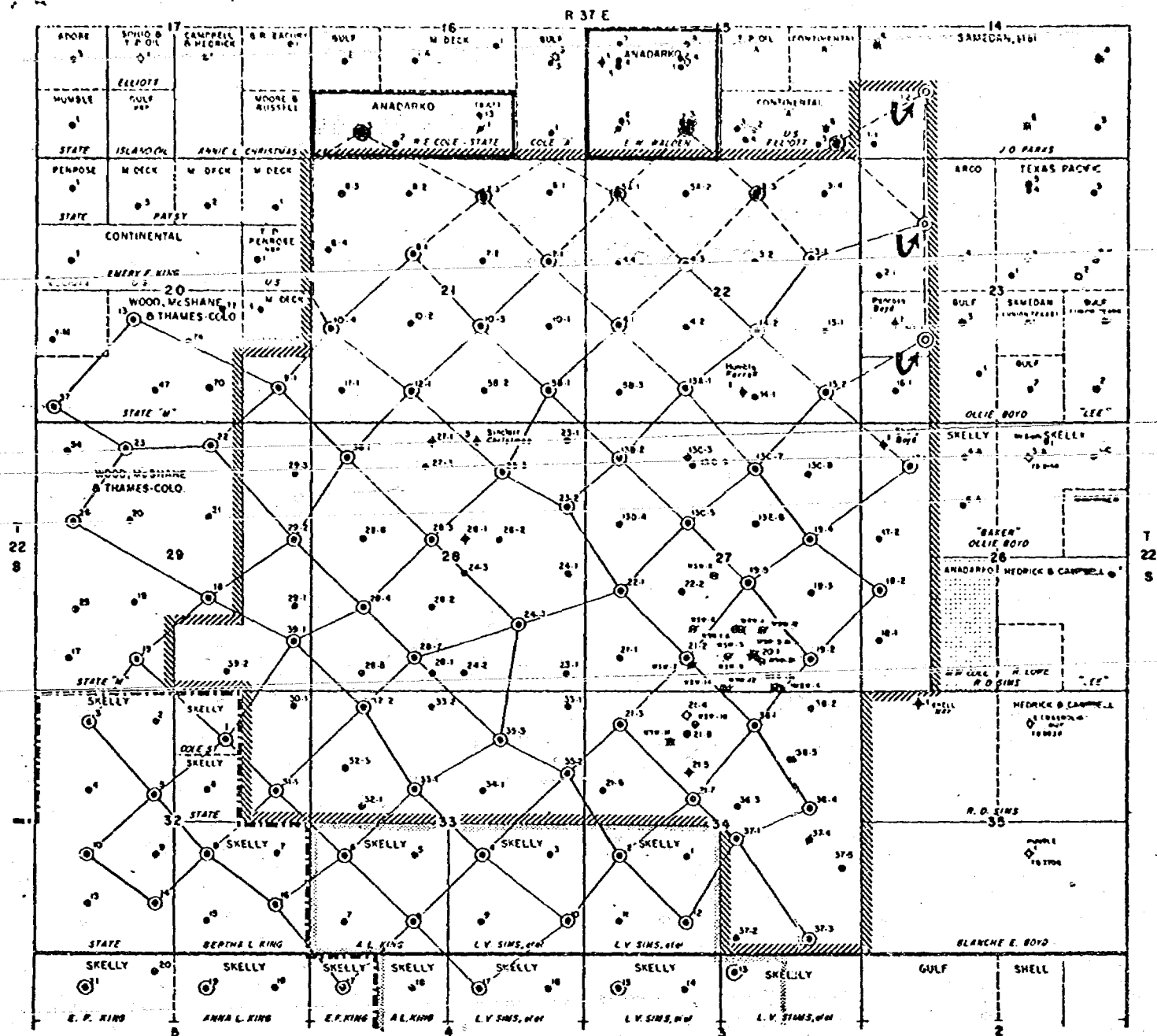
CASE 4760: Application of Anadarko Production Company for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks to institute a waterflood project by the injection of water into the Penrose-Skelly Pool by the injection of water through its R. E. Cole Well No. 3 located in the SW/4 SW/4 of Section 16 and its E. W. Walden Well No. 6 located in the SE/4 SW/4 of Section 15, Township 22 South, Range 37 East, Lea County, New Mexico.

Applicant further seeks establishment of a procedure whereby the conversion of additional wells to injection may be approved administratively.

CASE 4761: Application of Shell Oil Company for an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill a well at an unorthodox location 1980 feet from the South line and 660 feet from the East line of Section 33, Township 23 South, Range 34 East, Antelope Ridge-Devonian Gas Pool, Lea County, New Mexico.

CASE 4762: Application of Shell Oil Company for an unorthodox location and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to deepen its Antelope Ridge Well No. 4 to the Antelope Ridge-Morrow Gas Pool at an unorthodox location 990 feet from the North line and 2310 feet from the East line of Section 4, Township 24 South, Range 34 East, Lea County, New Mexico, which location is approximately 800 feet from its Antelope Ridge Well No. 2 located 660 feet from the North line and 1650 feet from the East line, same pool, township and range. Applicant proposes to simultaneously dedicate the N/2 of said Section 4 to the two wells.

CASE 4763: Application of Black River Corporation for compulsory pooling and non-standard proration unit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Morrow formation underlying the E/2 of Section 3, Township 26 South, Range 24 East, adjacent to the Washington Ranch-Morrow Gas Pool, Eddy County, New Mexico, comprising, approximately, a 409.22-acre non-standard proration unit. Said acreage to be dedicated to its Cities "3" Federal Well No. 2 located 2212 feet from the North line and 1998 feet from the East line of said Section 3.



#### LEGEND

- - Oil Well
- ⬮ - Plugged & Abandoned
- ⬮ - Temporarily Abandoned
- ⬮ - Dry & Abandoned
- ⬮ - Well
- ⬮ - Dual Completion (Oil & Gas)
- ⊙ - Water Injection Well
- ⊙ - Proposed Water Injection Well
- ⊙ - Water Supply Well
- ⊙ - WSW - Plugged & Abandoned
- ⬮ - Langlie Mattix Penrose Sand Unit
- ⬮ - Skelly Penrose "A" Unit
- ⬮ - Skelly Penrose "B" Unit
- ⬮ - Proposed Location



**ANADARKO  
PRODUCTION COMPANY**

**LANGLIE MATTIX PENROSE  
SAND UNIT**  
LEA COUNTY, NEW MEXICO  
FLOOD NO. 36

0 1500 3000 4500 6000  
SCALE FEET

ANADARKO PRODUCTION COMPANY  
E. W. Walden Well No. 6  
Penrose-Skelly Field  
Lea County, New Mexico

RECORD OF FORMATIONS

FORMATION	TOP	BOTTOM	REMARKS Indicate Casing Points, Describe Shows of Oil, Gas and Water, Etc.
Calliohe	0	10	Well was cleaned out in Sept. 1938.
Sand	10	95	This is the only remedial work of which
Red bed	95	110	we have any record.
Sand & Shale	110	145	Records show there is 75' between the
Sand	145	160	bottom of the pipe and the top of the
Red Bed	160	665	shot, but as no casing records are
Shale	665	750	available, this information is vague.
Water Sand	750	775	
Shale	775	1055	Oil at 3645' and well was cleaned out
Anhydrite	1055	1260	to at least 3660'. Bailed 16 hrs.
Salt Section	1260	2395	before running tubing.
Anhydrite & Lime	2395	2355	
Lime	3355	3472	Water at 3719 but no record of how far
Gas Sand	3472	3493	hole was plugged back to shut off the
Sand & Lime	3493	3500	water.
Sandy Lime	3500	3538	
SE Gas & Oil	3538	3540	Well made water while being cleaned out
Lime	3540	3555	on above date. Thought to be impractical
Blue shale	3555	3560	to clean out and plug with lead wool
Grey Lime	3560	3563	to shut off the small amount of water.
Lime	3563	3580	
Brown Lime	3580	3586	
Grey Lime	3586	3638	
Grey Sandy Lime (Oil)	3638	3645	
Grey Lime	3645	3675	
Brown Lime	3675	3692	
Grey Lime	3692	3700	
Brown Lime	3700	3718	
Water Sand	3718	3720	

LOCATION 660' FSL and 1980' FWL Section 15-T22S-R37E, Lea County, New Mexico.

ELEVATION Unknown.

TOTAL DEPTH Drilled 3720'. Plug Back 3678'.

SURFACE CASING 8-5/8" OD 28# casing set at 1143' cemented with 150 sacks.

PRODUCTION CASING 6-5/8" OD 24# casing set at 3450' cemented with 250 sacks.

COMPLETION Open Hole 3450'-3678'. Stimulation 430 qts nitro from 3535'-3678'.  
IP not available.

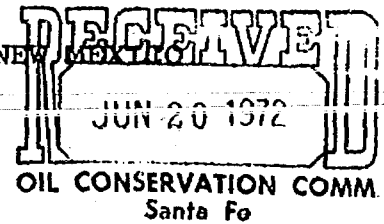
PROPOSED CONVERSION

WATER INJECTION

Produced water from Anadarko's E. W. Walden SWD System to be injected into above Penrose Skelly Field Oil Zone open hole interval thru plastic coated 2-3/8" OD tubing set on packer in 6-5/8" OD casing at approximate depth of 3400' at rate of 500 BPD with maximum surface pressure 2250 psi. Annulus between tubing and casing to be filled with injection water open to atmosphere for observation of leakage.

BEFORE EXAMINER STAMETS OIL CONSERVATION COMMISSION anadarko EXHIBIT NO. 3 CASE NO. 4766 Submitted by Clarence Stumheffer Hearing Date July 12, 1972
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BEFORE THE  
OIL CONSERVATION COMMISSION OF NEW MEXICO



IN THE MATTER OF THE APPLICATION )  
OF ANADARKO PRODUCTION COMPANY FOR )  
AUTHORITY TO INJECT WATER INTO THE )  
PENROSE SKELLY FIELD PRODUCING ZONES, )  
FOR THE DESIGNATION OF A WATER FLOOD )  
PROJECT AREA, AND FOR AN ADMINISTRA- )  
TIVE PROCEDURE FOR APPROVAL OF THE )  
CONVERSION OF WELLS FROM PRODUCTION )  
TO INJECTION )

Case 4760

A P P L I C A T I O N

Comes now Anadarko Production Company and applies to the Oil Conservation Commission of New Mexico for authority to inject water into the Penrose Skelly Field Producing Zones through its R. E. Cole well No. 3 located in the Southwest Quarter Southwest Quarter (SW/4 SW/4) of Section 16-22S-37E and through its E. W. Walden well No. 6 located in the Southeast Quarter Southwest Quarter (SE/4 SW/4) of Section 15-22S-37E, Lea County, New Mexico, and for designation of the South Half Southwest Quarter (S/2 SW/4) and Southwest Quarter Southeast Quarter (SW/4 SE/4) of Section 16-22S-37E and the Southwest Quarter (SW/4) of Section 15-22S-37E as a water flood project area, and for an administrative procedure for approval of conversion of wells from production to injection, and in support thereof would show the Commission:

1. Applicant has drilled its R. E. Cole well No. 3 and its E. W. Walden well No. 6 at the locations specified above, and has completed said wells in the Penrose Skelly Field Producing Zones.
2. The proposed water flood project area, being the South Half Southwest Quarter (S/2 SW/4) and Southwest Quarter Southeast

DOCKET MAILED

Noted



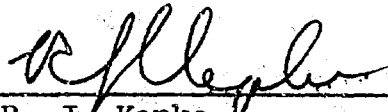
Quarter (SW/4 SE/4) of Section 16-22S-37E and the Southwest Quarter (SW/4) of Section 15-22S-37E, Lea County, New Mexico consists of the proration units upon which the proposed injection wells are located plus proration units which directly or diagonally offset injection tracts and have producing wells completed on them in the same formation.

3. Approval of this application is in the interest of conservation and the prevention of waste, and the correlative rights of other operators will not be impaired.

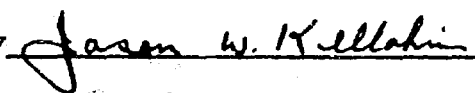
WHEREFORE, Applicant prays that this application be set for hearing before the Commission or the Commission's duly appointed examiner, and that after notice and hearing as required by law, the Commission enter its order granting approval of this application.

Respectfully submitted,

ANADARKO PRODUCTION COMPANY

By   
R. J. Kepke  
P. O. Box 9317  
Fort Worth, Texas 76107  
Phone: (817) 732-1411

and

By   
Kellahin & Fox  
P. O. Box 1769  
Santa Fe, New Mexico 87501  
Phone: (505) 982-4315

ATTORNEYS FOR APPLICANT

DRAFT

GMH/dr

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. 4760

Order No. R-4374

*gms*  
APPLICATION OF ANADARKO PRODUCTION  
COMPANY FOR A WATERFLOOD PROJECT,  
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

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

NOW, on this        day of August, 1972, 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 Langlie Mattix Penrose Sand Unit Waterflood  
Project, Langlie Mattix Pool, Lea County, New Mexico.

-2-  
Case No. 4760  
Order No. R-

(3) That the applicant seeks authority to institute two cooperative waterflood projects adjacent to said waterflood project by injection of water into the Queen and Grayburg formations through two injection wells in Sections 15 and 16, Township 22 South, Range 37 East, NMPM, Penrose Skelly Pool, Lea County, New Mexico.

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

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

(6) 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.

(7) That applicant further requests establishment of an administrative procedure whereby the conversion of additional wells to injection may be approved administratively without a showing of well response to water injection.

IT IS THEREFORE ORDERED:

(1) That the applicant, Anadarko Production Company, is hereby authorized to institute two waterflood projects in the Penrose-Skelly Pool, by the injection of water into the Queen and Grayburg formations through the following-described wells in Township 22 South, Range 37 East, NMPM, Lea County, New Mexico:

ANADARKO COLE PENROSE SKELLY WATERFLOOD PROJECT

Well Name	Well No.	Unit	Sec.	Twn.	Rge.
R. E. Cole	3	M	16	22 S	37 E

-3-  
Case No. 4760  
Order No. R-

ANADARKO WALDEN PENROSE SKELLY WATERFLOOD PROJECT

Well Name	Well No.	Unit	Sec.	Twn.	Rge.
E. W. Walden	6	N	15	22 S	37 E

(2) That the subject waterflood projects 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 projects herein authorized shall be submitted to the Commission in accordance with Rules 704 and 1120 of the Commission Rules and Regulations.

(4) That the Secretary-Director may approve expansion of the subject waterflood projects to include such additional lands and injection wells in the area of the projects as may be necessary to complete an efficient water injection pattern; that the showing of well response as required by Rule 701 E-5 shall not be necessary before obtaining administrative approval for conversion of additional wells to water injection.

(5) 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.