

Entered June 1, 1976
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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. 5686
Order No. R-5224

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

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on May 26, 1976,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 1st day of June, 1976, 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 on its Federal "L"
and Federal "M" Leases, Loco Hills Pool, by the injection of
water into the Premier Sand of the Grayburg formation through
its Federal "L" Well No. 2 located in Unit E of Section 31,
Township 17 South, Range 30 East, NMPM, Eddy County, New Mexico.

(3) That applicant further seeks an administrative procedure
for expansion of the project by approval of additional injection
and production wells at standard and non-standard locations.

(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 project should result in
the recovery of otherwise unrecoverable oil, thereby preventing
waste.

(6) That the operator should take all steps necessary to
ensure that the injected water enters only the proposed injec-
tion 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 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 on its Federal "L" and Federal "M" Leases, Loco Hills Pool, by the injection of water into the Premier Sand of the Grayburg formation through its Federal "L" Well No. 2, located in Unit E of Section 31, Township 17 South, Range 30 East, NMPM, Eddy County, New Mexico.

PROVIDED HOWEVER, that the operator should conduct tests to determine the pressure at which injection into said well may be maintained without causing fracturing of the cement or formation around the well and resultant migration of injected fluid out of the injection zone.

PROVIDED FURTHER, that the operator shall file both the test data and the results with the Commission upon the conclusion of such tests.

(2) That injection into said well shall be through internally coated tubing, set in a packer which shall be located approximately 100 feet above the uppermost perforation; that the casing-tubing annulus of the injection well shall be loaded with an inert fluid and equipped with an approved pressure gauge or attention-attracting leak detection device.

(3) That the operator shall immediately notify the supervisor of the Commission's Artesia district office of the failure of the tubing or packer in any 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.

(4) That the subject waterflood project is hereby designated the Anadarko Premier L and M Waterflood Project and shall be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

(5) The Secretary-Director of the Commission is hereby authorized to approve additional producing wells and injection wells at orthodox and unorthodox locations within the boundaries of the Anadarko Premier L and M Waterflood Project Area as may be necessary to complete an efficient production and injection pattern, provided said wells are drilled no closer than 330 feet to any lease line nor closer than 10 feet to any quarter-quarter section or subdivision inner boundary. To obtain such approval, the project operator shall file proper application with the

Commission, which application, if it seeks authorization to convert additional wells to injection or to drill additional production or injection wells shall include the following:

- (A) A plat showing the location of proposed well, all wells within the project area, and offset operators, locating wells which offset the project area.
- (B) A schematic drawing of the proposed well which fully describes the casing, tubing, perforated interval, and depth.
- (C) A letter stating that all offset operators to the proposed well have been furnished a complete copy of the application and the date of notification.

The Secretary-Director may approve the proposed well if, within 20 days after receiving the application, no objection to the proposal is received. The Secretary-Director may grant immediate approval, provided waivers of objection are received from all offset operators.

(6) 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.

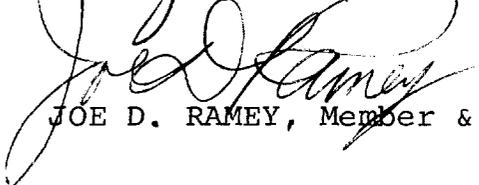
(7) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


PHIL R. LUCERO, Chairman


EMERY C. ARNOLD, Member


JOE D. RAMEY, Member & Secretary

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