Entened January 10, 1984

STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION FOR THE PURPOSE OF CONSIDERING:

> CASE NO. 8005 Order No. R-7425

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

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8 a.m. on November 22, 1983, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this <u>10th</u> day of January, 1984, the Division Director, 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 Division has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Anadarko Production Company, seeks authority to expand its Langlie Mattix Penrose Sand Unit Waterflood Project by injection of water into two leaseline injection wells to be drilled at unorthodox locations in Lea County, New Mexico, as follows:

Unit Well No.	Location
Tract 18 No. 3	l0 feet from the South line and 1310 feet from the West line of Section 26, Town- ship 22 South, Range 37 East
Tract 36 No. 7	990 feet from the North line and 10 feet from the East line of Section 34, Town- ship 22 South, Range 37 East

(3) That the proposed expansion of the Langlie Mattix Penrose Sand Unit Waterflood Project should result in the -2-Case No. 8005 Order No. R-7425

recovery of otherwise unrecoverable oil, thereby preventing waste.

(4) That the operator 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.

(5) That the new injection wells or new injection pressurization system should be so equipped as to limit injection pressure at the wellhead to no more than 710 psi, but the Division Director should have authority to increase said pressure limitation, should circumstances warrant.

(6) That there should be no injection into said two new wells until the applicant has filed a complete signed copy of the applicable leaseline agreement with the Division Director.

(7) That the subject application should be approved and the expansion project should be governed by the provisions of Rules 701 through 708 of the Division Rules and Regulations.

IT IS THEREFORE ORDERED:

(1) That the applicant, Anadarko Production Company, is hereby authorized to expand its Langlie Mattix Penrose Sand Unit Waterflood Project by the injection of water into the Queen formation through two leaseline injection wells to be drilled at unorthodox locations, hereby approved, in Lea County, New Mexico, as follows:

Unit Well No.	Location
Tract 18 No. 3	10 feet from the South line and 1310 feet from the West line of Section 26, Town- ship 22 South, Range 37 East
Tract 36 No. 7	990 feet from the North line and 10 feet from the East line of Section 34, Town- ship 22 South, Range 37 East

(2) That injection into each of said wells shall be into the perforated interval from approximately 3550 feet to 3700 feet and through internally coated tubing, set in a packer which shall be located as near as practicable to the uppermost perforation; that the casing-tubing annulus of each injection well shall be loaded with an inert fluid and -3-Case No. 8005 Order No. R-7425

equipped with an approved pressure gauge or attentionattracting leak detection device.

(3) That the operator shall immediately notify the supervisor of the Division's Hobbs district office of the failure of the tubing or packer in any of said injection wells, the leakage of water or oil from or 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 injection wells herein authorized and/or the injection pressurization system shall be so equipped as to limit injection pressure at the wellhead to no more than 710 psi, provided however, the Division Director may authorize a higher surface injection pressure upon satisfactory showing that such pressure will not result in fracturing of the confining strata.

(5) That there shall be no injection into said two new wells until the applicant has filed a complete signed copy of the applicable leaseline agreement with the Division Director.

(6) That the expanded waterflood project shall be governed by the provisions cf Rules 701 through 708 of the Division Rules and Regulations.

(7) That monthly progress reports of the waterflood project herein authorized shall be submitted to the Division in accordance with Rules 706 and 1115 of the Division Rules and Regulations.

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

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

STATE OF NEW MEXICO

(Umi-JOE D. RAMEY Director

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