

Entered August 5, 1964
U.S.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. 3038
Order No. R-2752

APPLICATION OF KENNEDY OIL COMPANY
FOR A WATERFLOOD PROJECT AND FOR
DESIGNATION OF A WATERFLOOD BUFFER
ZONE, EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on July 1, 1964, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 3rd day of August, 1964, 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, Kennedy Oil Company, seeks permission to institute a waterflood project in the Square Lake Pool by the injection of water into the Grayburg-San Andres formation through one injection well located in Unit L of Section 20, Township 16 South, Range 31 East, NMPM, Eddy County, New Mexico.

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

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

-2-

CASE No. 3038
Order No. R-2752

(5) That the applicant further proposes that the N/2 SW/4 of said Section 20 be designated a waterflood buffer zone inasmuch as it directly offsets a capacity-type waterflood project immediately south.

(6) That approval of the proposed buffer zone will afford the applicant the opportunity to produce its just and equitable share of the oil in the pool.

(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, provided however, that capacity allowables should be assigned to the wells in the N/2 SW/4 of said Section 20.

IT IS THEREFORE ORDERED:

(1) That the applicant, Kennedy Oil Company, is hereby authorized to institute a waterflood project in the Square Lake Pool by the injection of water into the Grayburg-San Andres formation through one of the following-described wells in Township 16 South, Range 31 East, NMPM, Eddy County, New Mexico:

Kennedy Oil Company Rowley-Federal Well No. 1,
located 1980 feet from the South line and
660 feet from the West line of Section 20

or

Kennedy Oil Company Rowley-Federal Well No. 2,
located 1650 feet from the South line and
990 feet from the West line of Section 20.

(2) That the subject waterflood project shall be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations, provided however, that the N/2 SW/4 of Section 20, Township 16 South, Range 31 East, NMPM, Eddy County, New Mexico, is hereby designated a waterflood buffer zone wherein water can be injected and wells produced at rates comparable with the waterflood project in the S/2 SW/4 of said Section 20.

(3) That monthly progress reports of the waterflood project herein authorized shall be submitted to the Commission in accordance with Rules 704 and 1119 of the Commission Rules and Regulations.

-3-

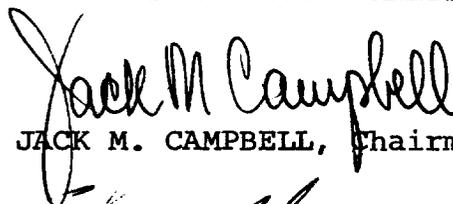
CASE No. 3038

Order No. R-2752

(4) 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.

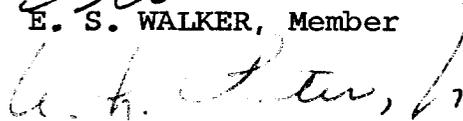
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



JACK M. CAMPBELL, Chairman



E. S. WALKER, Member



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

S E A L

esr/