

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. 5518
Order No. R-5065

APPLICATION OF ANADARKO PRODUCTION
COMPANY FOR WATERFLOOD PROJECT
CONSOLIDATION, WATERFLOOD EXPANSION,
AND AN ADMINISTRATIVE PROCEDURE, EDDY
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on July 2, 1975, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 22nd day of July, 1975, 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 and successor in interest to those certain waterflood projects and waterflood buffer zones heretofore approved by the Commission, as follows:

- (a) The Anadarko Square Lake Etz Waterflood project.
- (b) The Anadarko Square Lake Grier No. 2 Waterflood project.

Both of which were approved by Commission Order No. R-3677, dated February 13, 1969.

- (c) The Kennedy Oil Company Square Lake Waterflood project, approved by Commission Order No. R-2920, dated June 8, 1965.

- (d) The Cima Capitan, Inc., et al., cooperative waterflood project in the Square Lake Pool, approved by Order No. R-2977, dated October 7, 1965, in which project applicant has succeeded to the interests of Western Oil Fields, Inc., and Cima Capitan, Inc.
- (3) That for convenience of operation, reporting, and control of said projects, they should be consolidated into a single project.
- (4) That the applicant seeks to expand said project by the injection of water into the Grayburg and San Andres formations through its Baxter "A" Federal Well No. 1 in Unit O of Section 20 and its Federal "A" Well No. 3 in Unit M of Section 21, both located in Township 16 South, Range 31 East, NMPM, Square Lake Pool, Eddy County, New Mexico.
- (5) That the proposed waterflood project consolidation and expansion 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 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 an administrative procedure should be established whereby additional injection and producing wells at orthodox and unorthodox locations in the project area may be approved without notice and hearing.
- (8) 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 is hereby authorized to consolidate for purposes of operation and reporting those certain waterflood projects and waterflood buffer zones heretofore approved by the Commission, as follows:
- (a) The Anadarko Square Lake Etz Waterflood project;
- (b) The Anadarko Square Lake Grier No. 2 Waterflood project;
- (c) The Kennedy Oil Company Square Lake Waterflood project; and

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(d) The Cima Capitan, Inc., et al., cooperative waterflood project in the Square Lake Pool;

all in Eddy County, New Mexico.

(2) That the resultant consolidated waterflood project is hereby designated the Anadarko Consolidated Square Lake Waterflood Project and shall be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

(3) That the applicant is hereby authorized to expand said Consolidated Square Lake Waterflood Project in the Square Lake Pool by the injection of water into the Grayburg and San Andres formations through the following-described wells in Township 16 South, Range 31 East, NMPM, Eddy County, New Mexico:

<u>LEASE NAME</u>	<u>WELL NO.</u>	<u>UNIT</u>	<u>SECTION</u>
Baxter "A" Federal	1	O	20
Federal "A"	3	M	21

(4) That injection into each of said wells shall be 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 equipped with an approved pressure gauge or attention-attracting leak detection device.

(5) 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 well, 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.

(6) The Secretary-Director of the Commission is hereby authorized to approve such additional producing wells and injection wells at orthodox and unorthodox locations within the boundaries of the Anadarko Consolidated Square Lake 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:

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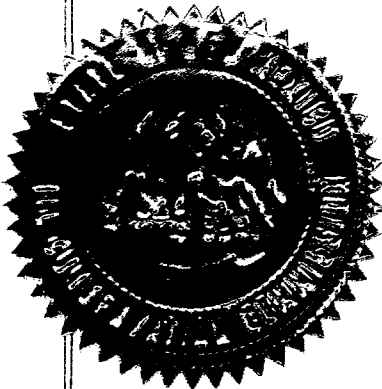
- (a) A plat showing the location of proposed well, all wells within the project area, and offset operators, locating wells which offset the project area.
- (b) A schematic drawing of the proposed well which fully describes the casing, tubing, perforated interval, and depth.
- (c) A letter stating that 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.

(7) 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.

(8) 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.



S E A L

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

Phil R. Lucero
PHIL R. LUCERO, Member

Joe D. Ramey
JOE D. RAMEY, Member & Secretary

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