

- ase Number

4881

Application
Transcripts.

Small Exhibits

ETC.

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

December 19, 1972

EXAMINER HEARING

IN THE MATTER OF:

Application of Anadarko
Production Company for two
unorthodox well locations,
Eddy County, New Mexico.

Case No. 4881

BEFORE: Elvis A. Utz,
Examiner.

TRANSCRIPT OF HEARING

1 MR. UTZ: Case 4881: Application of Anadarko
2 Production Company for two unorthodox oil well locations,
3 Eddy County, New Mexico.

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

7 MR. UTZ: Are there other appearances?

8 (No response)

9 JAMES F. HAMILTON,

10 was called as a witness, and after being duly sworn, testified
11 as follows:

12 DIRECT EXAMINATION

13 BY MR. KELLAHIN:

14 Q Would you state your name, please?

15 A James Hamilton.

16 Q By whom are you employed, and in what position?

17 A Anadarko Production Company, as a division production
18 engineer.

19 Q Where are you located?

20 A Houston, Texas.

21 Q Have you ever testified before the Oil Conservation
22 Commission or one of its Examiners?

23 A No, I haven't.

24 Q For the benefit of the Examiner, would you briefly
25 outline your educational background and experience

1 as an engineer?

2 A I graduated from Louisiana State University in 1960

3 with a bachelor of science degree in petroleum

4 engineering. Since that time, I have worked full time

5 as a petroleum engineer with major independent companies.

6 Q Where have you worked?

7 A Texaco, for about six years, and Anadarko for five years.

8 Q In connection with your work, did you work in

9 Southeastern New Mexico and particularly in the Loco

10 Hills area?

11 A Yes, I have worked there.

12 Q Does the Loco Hills area, which is the subject matter

13 of this hearing, come under your jurisdiction?

14 A Yes, it does.

15 MR. KELLAHIN: Are the witness's qualifications

16 acceptable?

17 MR. UTZ: Yes, they are.

18 Q (By Mr. Kellahin) Mr. Hamilton, are you familiar with

19 the application of Anadarko Production Company in Case

20 4881?

21 A Yes, sir.

22 Q Briefly tell us what is proposed by Anadarko.

23 A Anadarko seeks authority to drill two wells in

24 unorthodox locations 1,980 feet from the south line

25 and 1,310 feet from the west line of Section 9, and

1 1,310 feet from the north line and 1,980 feet from
2 the east line of Section 16, both in Township 18 South,
3 Range 29 East, Loco Hills Pool, Eddy County, New Mexico.

4 Q Now, the far west Loco Hills Unit has been approved
5 by the Commission previously, has it not?

6 A Yes, sir.

7 Q When was that approved?

8 A On December 16th, 1968, the Oil Conservation Commission
9 established the far west Loco Hills Sand Unit and
10 approved a waterflood project for this unit with Orders
11 Number R-3627 and R-3628. Water injection began in
12 May of 1969, with three injection wells and nine
13 producers, and with oil production of 400 barrels per
14 month.

15 At the end of November, 1972, three and a half
16 years later, this flood project has six injectors and
17 fourteen producers with a monthly production of 26,600
18 barrels of oil. The cumulative secondary oil recovery
19 through November, 1972 was 524,000 barrels. The
20 primary recovery for this unit area was 858,000 barrels.

21 Q Now, referring you to what has been marked as Applicant's
22 Exhibit One, would you discuss that exhibit, please?

23 A This is a structure map drawn on the top of the Lower
24 Loco Hills Sand. This map shows the injection and
25 producing wells within the unit, as well as offsetting

1 acreage and operators. The overlain structure map
2 shows the strike of the structure approximately
3 north-south with the dip of the structure to the east.

4 Exhibit Two shows the same basic data as Exhibit
5 One; however, a net porous sand map overlays the unit
6 outline. Note the feet of pay with porosity greater
7 than eight percent on this Exhibit Number Two.

8 Q Now, would you discuss your proposed Well Number 10?

9 A The proposed Well Number 10-33 lies near the center
10 of the unit and on the zero contour line of Exhibit
11 Two. This well replaces Well Number 10-16, which is
12 now temporarily abandoned.

13 Well Number 10-16 was used for gas injection before
14 the unit was formed. After unitization, 115,000 barrels
15 of water were injected into this well. However, a
16 direct channel developed between this well and Well
17 Number 9-11. The well was then placed on production
18 and stimulated. However, oil recovery has been
19 negligible. This proposed well will recover oil banked
20 against the sand pinch-out created by water injection
21 in Anadarko's Well Number 10-15, and Newmont's Well
22 Number 19-B-4.

23 Q That's an offsetting waterflood project, isn't it?

24 A Yes, sir. Later in the life of the flood, it is
25 anticipated that wells now on production will be

converted to injection and thus sweep oil to the proposed well from both the north and the south. It is anticipated that 70,000 barrels of oil will be recovered by this well, of which 60,000 barrels would not be recovered if this well is not drilled.

Q Now, would you discuss the proposed Well Number 2-34?

A Yes, sir. This well is in the southeastern portion of the unit, and replaces Well Number 7-25. Well Number 7-25 was plugged and abandoned before the unit was formed. Well Number 7-26 has a very thin and tight pay section. It has been fracture treated with poor results. It has a cumulative secondary oil recovery of 3,000 barrels, and a present test of 5 BOPD. The proposed producing well is needed to recover a bank of oil pushed southward from injection Well Number 2-28, and eastward along the pinch-out from injection Well Number 4-24. The proposed location was moved onto Tract Number 2 in order to obtain better porosity and permeability in an attempt to recover more oil.

Porosity and permeability figures are more critical in this section of the unit than they are further north. By that, I mean they have lower values and you have to be more careful how and where you place your wells to recover an economic volume of oil.

It is anticipated that this well will recover

1 70,000 barrels of oil, approximately 55,000 barrels
2 of this will not be recovered by the unit if the well
3 is not drilled.

4 Also, by observing Exhibit Two, it can be seen
5 that very few wells in the unit were drilled near the
6 center of the restrictive unit, therefore consequently
7 it is necessary to drill waterflood development wells
8 at unorthodox locations in order to achieve any type
9 of acceptable drainage.

10 Q You are more than 330 feet from any of the offset
11 operators?

12 A That's true, and ten feet from any 40-acre line.

13 Q You stated that because of the development pattern in
14 the original pool, you have to have unorthodox locations
15 for acceptable drainage patterns. Does this mean you
16 need administrative approval for additional injection
17 wells?

18 A That's correct.

19 Q You do ask at this time for administrative approval of
20 additional producing wells in the waterflood project?

21 A That's correct.

22 Q Were Exhibits One and Two prepared by you, or under
23 your supervision?

24 A Yes, sir.

25 MR. KELLAHIN: At this time, I would like to offer

1 into evidence Applicant's Exhibits One and Two.

2 MR. UTZ: Without objection, Exhibits One and
3 Two will be entered into the record of this case.

4 (Whereupon Applicant's Exhibits One and Two were
5 admitted in evidence.)

6 MR. KELLAHIN: That completes our case.

7 * * * *

8 CROSS EXAMINATION

9 BY MR. UTZ:

10 Q Are both of these wells ten feet off the quarter-quarter
11 section line?

12 A Yes, they are.

13 MR. UTZ: Are there any other questions?

14 (No response)

15 MR. UTZ: If not, the witness may be excused.

16 (Witness excused.)

17 MR. UTZ: Are there any statements in this case?

18 (No response)

19 MR. UTZ: The case will be taken under advisement.
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dearnley, meier & mc cormick reporting service, inc.
209 SUMMIT BLDG., P.O. BOX 1092, PHONE 243-6691, ALBUQUERQUE, NEW MEXICO 87103
1216 FIRST NATIONAL BANK BLDG. EAST, ALBUQUERQUE, NEW MEXICO 87108

PAGE 9

1 STATE OF NEW MEXICO)
2 COUNTY OF BERNALILLO } SS
3

4 I, RICHARD E. McCORMICK, a Certified Shorthand
5 Reporter, in and for the County of Bernalillo, State of
6 New Mexico, do hereby certify that the foregoing and attached
7 Transcript of Hearing before the New Mexico Oil Conservation
8 Commission was reported by me; and that the same is a true
9 and correct record of the said proceedings to the best of
10 my knowledge, skill and ability.
11

12 *Richard E. McCormick*
13 CERTIFIED SHORTHAND REPORTER
14
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I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 4581
heard by me on Dec. 19, 1922.
Richard E. McCormick, Examiner
New Mexico Oil Conservation Commission

I N D E X

WITNESS

PAGE

JAMES F. HAMILTON

Direct Examination by Mr. Kellahin

2

Cross Examination by Mr. Utz

8

E X H I B I T S

EXHIBIT

ADMITTED

OFFERED

Exhibit #1

Structure map

8

4

Exhibit #2

Structure map

8

5



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

January 9, 1973

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

Re: Case No. 4881

Order No. R-3628-C

Applicant:

Anadarko Production

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.

A. L. PORTER, Jr.
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC x

Artesia OCC x

Aztec OCC

Other _____

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. 4881
Order No. R-3628-C

APPLICATION OF ANADARKO PRODUCTION
COMPANY FOR TWO UNORTHODOX OIL WELL
LOCATIONS, EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on December 19, 1972, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 5th day of January, 1973, 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 Far West Loco Hills Sand Unit Waterflood Project, approved by Commission Order No. R-3628, for its Far West Loco Hills Sand Unit Area, Loco Hills Pool, Eddy County, New Mexico.

(3) That the applicant seeks authority to drill two producing oil wells in said waterflood project area at unorthodox locations 1980 feet from the South line and 1310 feet from the West line of Section 9 and 1310 feet from the North line and 1980 feet from the East line of Section 16, both in Township 18 South, Range 29 East, Loco Hills Pool, Eddy County, New Mexico.

(4) That the proposed unorthodox locations are necessary to complete an efficient oil producing pattern.

(5) That the applicant further seeks the amendment of the aforesaid Order No. R-3628, as amended by Order No. R-3628-A, to provide for the establishment of an administrative procedure whereby the Secretary-Director of the Commission may authorize expansion of said Far West Loco Hills Sand Unit Waterflood Project to include additional lands and injection wells and producing wells at orthodox and unorthodox locations as may be necessary to complete an efficient injection and producing pattern.

(6) That approval of the aforesaid amendment will afford the applicant the opportunity to produce its just and equitable share of the oil in the Loco Hills Pool, and will otherwise prevent waste and protect correlative rights, provided said producing wells and injection wells are drilled no closer than 330 feet to the outer boundary of said Far West Loco Hills Sand Waterflood Unit nor closer than 10 feet to any quarter-quarter section or subdivision inner boundary.

(7) That the Far West Loco Hills Sand Waterflood 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 drill two producing oil wells in the Far West Loco Hills Sand Waterflood Project in its Far West Loco Hills Sand Unit Area, Loco Hills Pool, at unorthodox locations 1980 feet from the South line and 1310 feet from the West line of Section 9 and 1310 feet from the North line and 1980 feet from the East line of Section 16, both in Township 18 South, Range 29 East, NMPM, Loco Hills Pool, Eddy County, New Mexico.

(2) That Order (2) of Order No. R-3628, as amended by Order No. R-3628-A, is hereby amended to read in its entirety as follows:

"(2) That the Anadarko Far West Loco Hills Sand Unit Waterflood Project shall be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations;

PROVIDED HOWEVER, that the Secretary-Director of the Commission may approve expansion of the Far West Loco Hills Sand Unit Waterflood Project to include such additional lands and injection wells and producing wells at orthodox and unorthodox locations as may be necessary to complete an efficient injection and producing pattern, provided said wells are drilled no closer than 330 feet to the outer boundary of said Far West Loco Hills Sand Unit nor closer than 10 feet to any quarter-quarter section or subdivision inner boundary, and provided that the application therefor has been filed in accordance with Rule 701 B of the Commission Rules and Regulations, and provided further, that a copy of the application has been sent to all offset operators, if any there be, and no such operator has objected within 15 days."

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

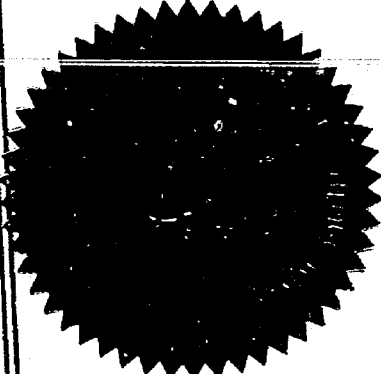
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Case No. 4881

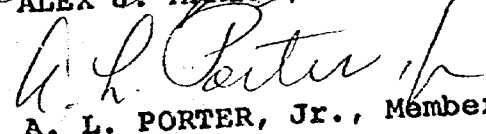
Order No. R-3628-C

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


BRUCE KING, Chairman


ALEX J. ARMIÑO, Member


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

S E A L

dr/

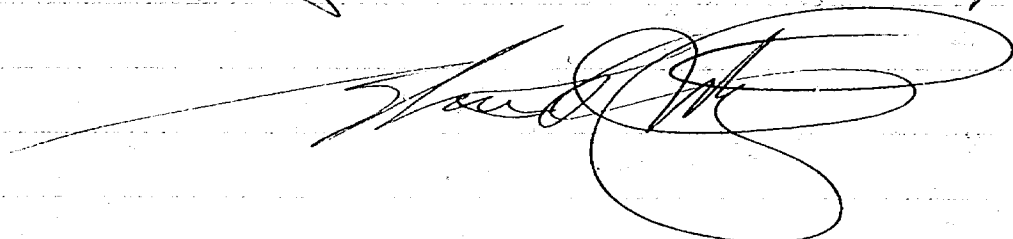
488/
Herald 12-19-72
Rec. 12-21-72

Grant Anadarko permission
to Drill 2 NSL's in their
San West Loco Hills waterflood.

1. #33 1980/S. 1310/W. 9-18S-29E.

2. #34 1310/N-1980-E-16-18S-29E.

Also demand R-3627 to allow for
Admin. approval for additional
Producing wells. w/o response.



DOCKET: EXAMINER HEARING - TUESDAY - DECEMBER 19, 1972

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Elvis A. Utz, Examiner, or Daniel S. Nutter, Alternate Examiner:

- ALLOWABLE: (1) Consideration of the allowable production of gas for January, 1973, from seventeen-prorated pools in Lea, Eddy, Roosevelt, and Chaves Counties, New Mexico;
- (2) Consideration of the allowable production of gas from nine prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico for January, 1973.

CASE 4608: (Reopened) (Continued from November 14, 1972)

In the matter of Case 4608 being reopened pursuant to the provisions of Order No. R-4213 which order established special rules and regulations for the Haystack Siluro-Devonian Pool, Chaves County, New Mexico, including a provision for 80-acre spacing units. All interested persons may appear and show cause why said pool should not be developed on 40-acre spacing units.

CASE 4860: (Continued from the November 29, 1972 Examiner Hearing)

Application of Craig Folsom for an unorthodox oil well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill a well to test the Queen formation at an unorthodox oil well location 1340 feet from the South line and 1300 feet from the East line of Section 12, Township 13 South, Range 31 East, Caprock-Queen Pool, Chaves County, New Mexico.

CASE 4869: (Continued and Readvertised)

Application of Claude C. Kennedy for the amendment of Order No. R-4263, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-4263 to prohibit the transfer of allowable to any well located closer than 1320 feet from the outer boundary of the Lone Pine Dakota "D" Unit Area, Lone Pine Dakota "D" Pool, McKinley County, New Mexico.

CASE 4874: Application of Skelly Oil Company for a dual completion and water injection well, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Skelly Waterflood Unit Well No. 3 located in Unit D of Section 22, Township 17 South, Range 31 East, Eddy County, New Mexico, in such a manner as to permit the production of oil from the Fren-Seven Rivers Pool and the injection of water into the Grayburg-Jackson Pool through parallel strings of tubing.

- CASE 4875: Application of ESH Corporation for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water in the Lower San Andres formation in the perforated interval from 5144 feet to 5170 feet in its Hobbs State Well No. 5 located in Unit F of Section 29, Township 18 South, Range 38 East, Hobbs Field, Lea County, New Mexico.
- CASE 4876: Application of Gulf Oil Corporation for an unorthodox oil well location and amendment of Order No. R-2248, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill its West Dollarhide Devonian Unit Well No. 118 at an unorthodox location 2540 feet from the South line and 1420 feet from the West line of Section 33, Township 24 South, Range 38 East, West Dollarhide-Devonian Pool, Lea County, New Mexico. Applicant further seeks the amendment of Order No. R-2248 to provide for administrative approval of additional production and injection wells in the aforesaid unit at unorthodox locations.
- CASE 4877: Application of Texas Pacific Oil Company, Inc. for two non-standard oil proration units and a non-standard location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an 80-acre non-standard proration unit comprising the NE/4 NW/4 and NW/4 NE/4 of Section 2 to be dedicated to its State "C" Well No. 1 located in Unit B and a 40-acre non-standard proration unit comprising the SE/4 NW/4 of Section 2 to be dedicated to its State "C" Well No. 2 located in Unit F of Section 2 and an 80-acre standard proration unit comprising the E/2 NE/4 of Section 2 to be dedicated to its State "D" Well No. 1 at an unorthodox location in Unit A of Section 2, Township 12 South, Range 33 East, Bagley Siluro-Devonian Pool, Lea County, New Mexico.
- CASE 4878: Application of Harding Oil Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Strawn and Atoka formations underlying the E/2 SE/4 of Section 10, Township 17 South, Range 37 East, Lea County, New Mexico, to be dedicated to a Humble City Field extension well to be drilled at a standard location for said pools; also to be considered will be the costs of drilling said well, a charge for the risk involved, a provision for the allocation of actual operating costs, and the establishment of charges for supervision of said well.
- CASE 4879: Application of Atlantic Richfield Company for gas proration units, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a 320-acre non-standard proration unit comprising the N/2 of Section 30, Township 23 South, Range 37 East, to be dedicated to its Eva Blinebry Wells Nos. 2 and 7 located in Units D and G, respectively, of said Section 30; a 320-acre non-standard proration unit comprising the E/2 of Section 26, Township 22 South, Range 36 East to be dedicated to its McDonald State Wells Nos. 8 and 9 located in

(Case 4879 continued from page 2)

Units P and G, respectively, of said Section 26, and a 640-acre standard gas proration unit comprising all of Section 15, same township, to be dedicated to its McDonald State Wells Nos. 13, 14, and 15 located in Units P, G, and L, respectively, of said Section 15, Jalmat Gas Pool, Lea County, New Mexico.

CASE 4880: Application of Jake L. Hamon for the amendment of Order No. R-638-C, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-638-C which established 150 barrels of oil per day as the maximum allowable for the South Knowles-Devonian Pool. Applicant proposes that the regular 80-acre depth bracket allowable be applied to said pool.

CASE 4881: Application of Anadarko Production Company for two unorthodox oil well locations, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill two wells at unorthodox locations 1980 feet from the South line and 1310 feet from the West line of Section 9 and 1310 feet from the North line and 1980 feet from the East line of Section 16, both in Township 18 South, Range 29 East, Loco Hills Pool, Eddy County, New Mexico.

Applicant further seeks the adoption of a procedure for administrative approval of additional production and injection wells in its Far West Loco Hills Sand Unit at unorthodox locations.

CASE 4882: Application of Shell Oil Company for a waterflood project, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the San Andres formation through the following five wells in the Cato-San Andres Pool, Chaves County, New Mexico: Amoco Federal Wells Nos. 4, 6, 7, and 8 in Units G, O, E, and M, respectively, of Section 33 and Hodges Federal B Well No. 4 in Unit M of Section 34, all in Township 8 South, Range 30 East.

CASE 4883: Application of El Paso Natural Gas Company for non-standard gas spacing units, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the following non-standard gas spacing units adjacent to the Blanco-Pictured Cliffs Pool in Township 31 North, Range 9 West, San Juan County, New Mexico:

A 145.6-acre unit comprising lots 9 and 10 and 15 through 18 of Section 31;

A 153.5-acre unit comprising lots 14 through 17 of Section 30 and lots 7 and 8 of Section 31;

A 156.5-acre unit comprising lots 17 and 18 of Section 19 and lots 6 through 9 of Section 30;

A 152.6-acre unit comprising lots 7 through 10 and 15 and 16 of Section 19.

CASE 4853: (Continued and Readvertised)

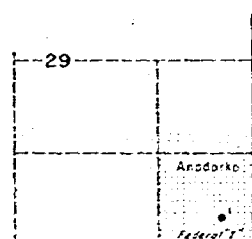
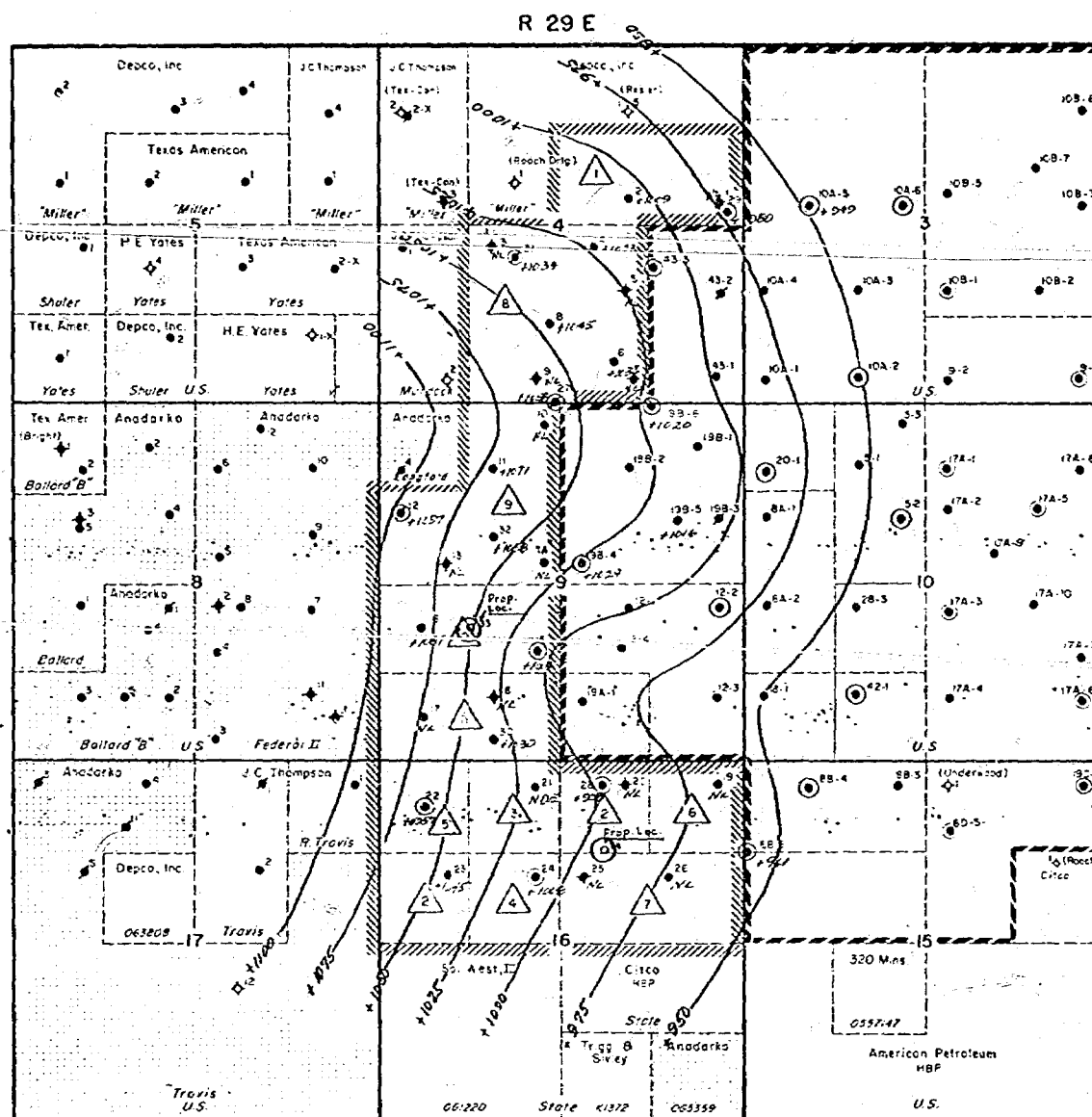
Application of El Paso Natural Gas Company for amendment of gas well testing procedures, San Juan Basin, New Mexico. Applicant, in the above-styled cause, seeks the amendment of the gas well testing procedures for the San Juan Basin, New Mexico, promulgated by Order No. R-333-F, as amended, to remove the requirement for annual deliverability and shut-in pressure tests for marginal wells.

Applicant further requests the Commission to consider:

1. Other means of avoiding or minimizing the loss of pipeline availability attributable to the period wells in prorated pools are shut in in order to conduct the annually required deliverability and shut-in pressure tests;
2. Exempting wells in non-prorated pools from the annual deliverability and shut-in pressure requirements; and,
3. Exempting all wells in the San Juan Basin from the requirement for annual shut-in pressure tests as provided in the General Rules and Regulations.

CASE 4884: Application of Colorado Plateau Geological Services, Inc., for an extension of Order No. R-4227, McKinley County, New Mexico. Applicant, in the above-styled cause, as managing agent for oil and gas for the Henry Birdseye Estate, seeks a one-year extension to certain provisions of Order No. R-4227 which, as amended by Order No. R-4227-A, required that certain of the Birdseye wells in the Chaco Wash Mesaverde Oil Pool be placed on active production or water injection by December 31, 1972, or be plugged and abandoned. Applicant, or United States Fidelity and Guaranty Company, or any other interested party will be permitted to show cause why the effective date of the aforesaid order should not be enforced.

CASE 4885: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit John Lemley and Juanita Franks and Aetna Casualty and Surety Company and all other interested parties to appear and show cause why the Lemley and Franks Greathouse Well No. 1, located in Unit F of Section 10, Township 23 North, Range 1 West, Rio Arriba County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.



INSET

Section 29, T-18-S, R-30-E
(Located approximately 4 miles NE
of above area)

LEGEND

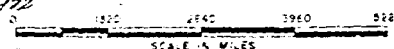
- Oil Well
- ◆ Plugged & Abandoned
- Temporarily Abandoned
- ◇ Dry & Abandoned
- ⊙ Water Injection Well
- ▭ Anadarko Acreage
- ▨ Newmont Operated
- ▧ West Loco Hills Grayburg Unit
- ▩ Anadarko Operated
- For West Loco Hills Sand Unit
- 3 Tract Number

ANADARKO PRODUCTION COMPANY

LOCO HILLS FIELD EDDY COUNTY, NEW MEXICO *Lower Loco Hills Sand Top of Sand Map*

CT-25'
9/24/72

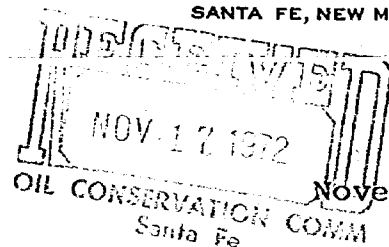
WS Howard



JASON W. KELLAHIN
ROBERT E. FOX
W. THOMAS KELLAHIN

KELLAHIN AND FOX
ATTORNEYS AT LAW
500 DON GASPAR AVENUE
POST OFFICE BOX 1769
SANTA FE, NEW MEXICO 87501

TELEPHONE 982-4315
AREA CODE 505



November 16, 1972

Oil Conservation Commission of New Mexico
P. O. Box 2088
Santa Fe, New Mexico

Case 4881

Re: Anadarko Production Company
For approval of Two Unorthodox
Well locations

Gentlemen:

Enclosed is Application for the above
subject Company. We send the original and
two copies.

Thank you.

Yours truly,
JASON KELLAHIN

by:

Kaye Seright
Secretary

DOCKET MAILED

Date 12-6-72

BEFORE THE
OIL CONSERVATION COMMISSION OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF ANADARKO PRODUCTION COMPANY
FOR APPROVAL OF TWO UNORTHODOX
WELL LOCATIONS, FAR WEST LOCO HILLS
SAND UNIT, EDDY COUNTY, NEW MEXICO

Case 4881

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 approval of two unorthodox well locations in the Far West Loco Hills Sand Unit, Eddy County, New Mexico, and for the adoption of an administrative procedure for approval of additional producing and injection wells at orthodox and unorthodox locations in said unit, and for conversion of wells to injection whether or not they have received a response from water flood operations, and in support thereof would show the Commission:

1. Applicant is the operator of the Far West Loco Hills Sand Unit, Eddy County, New Mexico, approved by New Mexico Oil Conservation Commission Order No. R-3627.

2. Applicant proposes to drill two wells for production from the unit, at unorthodox locations, as follows:

- (a) Tract 10, Well No. 33
1980 feet from the South line and 1310
feet from the West line of Section 9,
Township 18 South, Range 29 East, N.M.P.M.
- (b) Tract 2 Well No. 34
1310 feet from the North line and 1980 feet
from the East line of Section 16, Township
18 South, Range 29 East, N.M.P.M.

3. Both wells are proposed as replacement wells in the unit waterflood project, and will result in the production of oil that would not otherwise be recovered from the unit.

4. Additional wells may be required for both injection and for production at orthodox and unorthodox well locations, and an administrative procedure should be adopted for the

approval of such wells and for the conversion of wells from production to injection, whether or not such wells have received a response from the waterflood operations.

WHEREFORE applicant prays that this application be set for hearing before the Commission or one of the Commission's duly appointed examiners, and that after notice and hearing as required by law the Commission enter its order approving the locations and providing for an administrative procedure, as prayed for.

Respectfully submitted,

ANADARKO PRODUCTION COMPANY

By

Jason W. Kellahin
KELLAHIN & FOX

P. O. Box 1769

Santa Fe, New Mexico 87501

ATTORNEYS FOR APPLICANT

DRAFT

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. 4881

Order No. R-3628-0

APPLICATION OF ANADARKO PRODUCTION
COMPANY FOR TWO UNORTHODOX OIL WELL
LOCATIONS, EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on December 19, 1972,
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this day of January, 1973, 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 Far West Loco Hills Sand Unit Waterflood Project,
in its Far West Loco Hills Sand Unit Area, Loco Hills Pool,
Eddy County, New Mexico, approved by Commission Order No. R-3627.

(3) That the applicant seeks authority to drill ^{two} producing oil wells in said waterflood project area at unorthodox locations 1980 feet from the South line and 1310 feet from the West line of Section 9 and 1310 feet from the North line and 1980 feet from the East line of Section 16, both in Township 18 South, Range 29 East, Loco Hills Pool, Eddy County, New Mexico.

(4) That the proposed unorthodox locations are necessary to complete an efficient oil producing pattern.

(5) That the applicant further seeks the amendment of ^{the aforesaid} ~~and~~ ^{is amended by Order No. R-3628-A, 1} Order No. R-3628, to provide for the establishment of an administrative procedure whereby the Secretary-Director of the Commission may authorize expansion of said Far West Loco Hills Sand Unit Waterflood Project to include additional lands and injection wells and producing wells at orthodox and unorthodox locations as may be necessary to complete an efficient injection and producing pattern, ~~without the necessity of showing well response.~~

(6) That approval of the aforesaid amendment will afford the applicant the opportunity to produce its just and equitable share of the oil in the Loco Hills Pool, and will otherwise prevent waste and protect correlative rights, provided said producing wells and injection wells are drilled no closer than 330 feet to the outer boundary of said Far West Loco Hills Sand Waterflood Unit nor closer than 10 feet to any quarter-quarter section or subdivision inner boundary.

(7) That the Far West Loco Hills Sand Waterflood Project should be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations, ~~provided however, that the showing of well response as required by Rule 701-F-5 shall not be necessary before obtaining administrative approval for the conversion of additional wells to water injection.~~

IT IS THEREFORE ORDERED:

(1) That the applicant, Anadarko Production Company, is hereby authorized to drill ^{Two} producing oil wells in the Far West Loco Hills Sand Waterflood Project in its Far West Loco Hills Sand Unit Area, Loco Hills Pool, at unorthodox locations 1980 feet from the South line and 1310 feet from the West line of Section 9 and 1310 feet from the North line and 1980 feet from the East line of Section 16, both in Township 18 South, Range 29 East, NMPM, Loco Hills Pool, Eddy County, New Mexico.

(2) That Order (2) of Order No. R-3627 is hereby amended to read in its entirety as follows:

"(2) That the ^{Anadarko} Far West Loco Hills Sand Unit Waterflood Project shall be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations;

PROVIDED HOWEVER, that the Secretary-Director of the Commission may approve expansion of the Far West Loco Hills Sand Unit Waterflood Project to include such additional lands and injection wells and producing wells at orthodox and unorthodox locations as may be necessary to complete an efficient injection and producing pattern, provided said wells are drilled no closer than 330 feet to the outer boundary of said Far West Loco Hills Sand Unit nor closer than 10 feet to any quarter-quarter section or subdivision inner boundary, and provided that the application therefor has been filed in accordance with Rule 701 B of the Commission Rules and Regulations, and provided further, that a copy of the application has been sent to all offset operators, if any there be, and no such operator has objected within 15 days. ~~"The showing of well response as required by Rule 701 E-5 shall not be necessary before obtaining administrative approval for the conversion of additional wells to water injection."~~

(3) 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.

Unauthorized locations
Dec 19,

Tract 1 Well No 33

1980_s 1310_w 9-18-29

Tract 2 well No 34

1310 N 1980 E 16-18-29

For West Loco Hills
Sand Creek, Loco Hills
Pool, Eddy Co

Canadarko Production Co

Lacey Hamilton
Houston

713 626 7610

(gram)

CASE 4882: Application of SHELL
OIL CO. FOR A WATERFLOOD PROJECT,
CHAVES COUNTY, NEW MEXICO.