

Continued June 8, 1965
A.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. 3253
Order No. R-2920

APPLICATION OF KENNEDY OIL COMPANY
FOR A WATERFLOOD PROJECT, EDDY COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on May 26, 1965, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 8th day of June, 1965, 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 and San Andres formations through one or two injection wells in Sections 21 and 28, Township 16 South, Range 31 East, NMPM, Eddy County, New Mexico.

(3) That the applicant proposes to convert either or both of the proposed injection wells to water injection following a response from the offsetting waterflood to the west and south.

(4) That the applicant also seeks the designation of the SW/4 SW/4 of said Section 21 and the N/2 NW/4 of said Section 28 as a waterflood buffer zone offsetting a capacity-type waterflood.

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

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

(7) That the proposed buffer zone offsets a capacity-type waterflood to the west and south.

(8) 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 and prevent waste, provided injection has been commenced in said buffer zone within 90 days after any well in the buffer zone receives positive stimulation from the offsetting capacity-type waterflood.

(9) 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 SW/4 SW/4 of said Section 21 and the N/2 NW/4 of said Section 28.

(10) That the authority granted under this order should terminate ipso facto if water injection has not commenced within 90 days after any well in the project area has received positive stimulation from the offsetting waterflood project.

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 and San Andres formations through one or both of the following-described wells in Township 16 South, Range 31 East, NMPM, Eddy County, New Mexico:

DOB A Well No. 3, located in Unit M of Section 21;

Kennedy Federal Well No. 3, located in Unit C of Section 28.

(2) That the subject waterflood project shall be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations;

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PROVIDED HOWEVER, that the SW/4 SW/4 of Section 21 and the N/2 NW/4 of Section 28, Township 16 South, Range 31 East, NMPM, Eddy County, New Mexico, is hereby designated a waterflood buffer zone wherein wells can be produced at capacity.

(3) 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.

(4) That the authority granted under this order shall terminate ipso facto if water injection has not commenced within 90 days after any well in the project area has received positive stimulation from the offsetting waterflood project.

(5) 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


GUYTON B. HAYS, Member


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

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