

**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. 2681
Order No. R-2358**

**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 October 24, 1962, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 6th day of November, 1962, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, 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 authority to institute a waterflood project in the Square Lake Pool by the injection of water into the Grayburg-San Andres formations through the following wells located in Section 28, Township 16 South, Range 31 East, NMPM, Eddy County, New Mexico:

Kennedy Oil Company-Federal Well No. 1,
located in Unit K;
Resler and Sheldon-Johnson Well No. 3-B,
located in Unit E; and
Kennedy Oil Company-Johnson Well No. 7-B,
located in Unit O.

(3) That the applicant's proposed waterflood project is offset on the south and on the west by capacity-type waterflood projects.

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(4) That the applicant's proposed waterflood project area consists of the following-described acreage:

NEW MEXICO PRINCIPAL MERIDIAN

TOWNSHIP 16 SOUTH, RANGE 31 EAST

Section 28: S/2 NW/4, E/2 SW/4,
S/2 SE/4

(5) That the proposed waterflood project should be approved and in order to protect correlative rights should be designated a buffer zone with capacity allowables.

(6) That the applicant should be allowed to inject water into the proposed zones through the casing in the Kennedy Oil Company-Federal Well No. 1, but should be required to inject water into the Resler and Sheldon-Johnson Well No. 3-B and the Kennedy Oil Company-Johnson Well No. 7-B through tubing installed in a packer set immediately above the injection zone.

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 formations through the following wells located in Section 28, Township 16 South, Range 31 East, NMPM, Eddy County, New Mexico:

Kennedy Oil Company-Federal Well No. 1,
located in Unit K;
Resler and Sheldon-Johnson Well No. 3-B,
located in Unit E; and
Kennedy Oil Company-Johnson Well No. 7-B,
located in Unit O.

(2) That the project area shall be designated a buffer zone with capacity allowables and shall consist of the following-described acreage:

NEW MEXICO PRINCIPAL MERIDIAN

TOWNSHIP 16 SOUTH, RANGE 31 EAST

Section 28: S/2 NW/4, E/2 SW/4,
S/2 SE/4

(3) That the applicant is hereby authorized to inject water through the casing in the Kennedy Oil Company-Federal Well No. 1, but shall inject water only through tubing installed in a packer set immediately above the injection zone in the Resler and Sheldon-Johnson Well No. 3-B and the Kennedy Oil Company-Johnson Well No. 7-B.

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(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



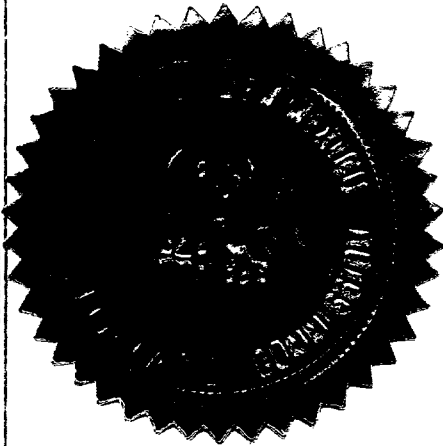
EDWIN L. MECHEM, Chairman



E. S. WALKER, Member



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



esr/