

BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

IN THE MATTER OF THE APPLICATION OF)
ANADARKO PRODUCTION COMPANY FOR AN)
ORDER AUTHORIZING A WATERFLOOD PROJECT)
ON THE TEAS YATES UNIT AREA COMPRISED)
OF THE YATES FORMATION UNDERLYING THE)
SE/4 SE/4 OF SECTION 10, THE SW/4 SW/4)
OF SECTION 11, THE N/2 AND THE N/2 S/2)
OF SECTION 13, THE N/2, THE N/2 S/2,)
THE SW/4 SE/4 AND THE SE/4 SW/4 OF)
SECTION 14 AND THE NE/4 NE/4 OF)
SECTION 15, TOWNSHIP 20 SOUTH, RANGE)
33 EAST AND THE SW/4 NW/4 OF SECTION)
18, TOWNSHIP 20 SOUTH, RANGE 34 EAST,)
LEA COUNTY, NEW MEXICO.)

CASE NO. 4470

A P P L I C A T I O N

COMES NOW Anadarko Production Company, hereinafter referred to as "Applicant", and makes its application for an Order by this Commission authorizing Applicant to institute a waterflood project in the Teas Yates Seven Rivers Pool, Lea County, New Mexico by injecting water into the Yates sand formation in and under the SE/4 SE/4 of Section 10, the SW/4 SW/4 of Section 11, the N/2 and the N/2 S/2 of Section 13, the N/2, the N/2 S/2, the SW/4 SE/4 and the SE/4 SW/4 of Section 14 and the NE/4 NE/4 of Section 15, Township 20 South, Range 33 East and the SW/4 NW/4 of Section 18, Township 20 South, Range 34 East, Lea County, New Mexico, and in support of this application states:

1. The Unit Area of the Teas Yates Unit consists of the Yates sand formation in and under the lands above described, which lands are depicted within the heavy broken line on Exhibit 1 attached to this application. All of the wells now located within the Unit Area and producing from the Yates sand formation have reached an advanced state of depletion and are regarded as stripper wells.

DOCKET MAILED

Date 11-19-70

2. Applicant proposes to inject water into the Yates sand formation by the conversion to injection wells of the seven presently producing and three plugged and abandoned wells at the locations indicated on the said Exhibit 1.

3. The following listed owners of overriding royalty are the only interest owners in the entire Unit Area who have not executed the Teas Yates Unit Agreement nor ratified the same:

<u>Interest Owner</u>	<u>Tract</u>	<u>Unit Interest</u>	
		<u>Phase I</u>	<u>Phase II</u>
New Mexico Boys Ranch, Inc.	12	.000031	.000124
E. B. Noble	12	.000010	.000041
Peter Rapkoch	13	.000001	.000005
David Bond Kyte and The Bank of California, N.A., Trustee	13	.000007	.000035
Higgins Trust, Inc.	13	.000021	.000105

Of the foregoing interest owners, all except E. B. Noble have indicated that they will ratify the Unit Agreement, but absence of corporate officers, pending probate proceedings or other causes have delayed the actual execution and return to Applicant of the instruments of ratification. In the case of E. B. Noble, Applicant has been unable to locate this person and the proceeds attributable to this interest have been held in suspense by the purchasers of production for a period in excess of eleven years, due to the absence of knowledge of his whereabouts.

4. Should this Commission decline to permit the only producing wells located upon Tracts 12 and 13 to be converted to injection wells as herein proposed by Applicant, a waterflood of less than maximum effectiveness will result, with attendant waste in the form of oil left unrecovered in the reservoir. To prevent such waste and to protect the correlative rights of the very

substantial majority of interest owners in Tracts 12 and 13 who have executed or ratified the Unit Agreement, Applicant seeks authority of this Commission to convert the only producing wells on Tracts 12 and 13 to injection wells and to account to the non-signatory owners of overriding royalty upon such basis as may hereafter be agreed upon by Applicant with such owners.

5. Applicant urges, although the Unit Area of the Teas Yates Unit in its entirety does not qualify as a waterflood project area under the provisions of Rule 701 E 2 of this Commission, that in view of the unitization of the Yates sand formation into one common area for operations contemplated by the Unit Agreement, the entire Unit Area be designated by this Commission as the area of Applicant's waterflood project.

6. The data required by Rule 701 B of this Commission are attached hereto as Exhibits 1 through 4, respectively.

WHEREFORE, Applicant requests a hearing before an examiner, notice of hearing to be given according to law, and requests that after notice and hearing, this Commission issue its Order designating the Unit Area of the Teas Yates Unit as created by the Teas Yates Unit Agreement dated as of June 1, 1970 as Applicant's Teas Yates Unit Waterflood Project and authorizing the conversion to injection wells of the seven presently producing wells and the three plugged and abandoned wells at the locations indicated on Exhibit 1 attached hereto.

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