

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. 5357
Order No. R-4907

APPLICATION OF ANADARKO PRODUCTION
COMPANY FOR A WATERFLOOD PROJECT,
EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on October 30, 1974, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 5th day of November, 1974, 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, seeks authority to institute a waterflood project in the Artesia State Unit Area, Artesia Pool, by the injection of water into the Queen, Grayburg, and San Andres formations through six injection wells at unorthodox locations in Township 18 South, Range 27 East, NMPM, Eddy County, New Mexico, as follows:

Section 13: 1330 feet from the South line and
1310 feet from the West line;

10 feet from the South line and
10 feet from the West line;

Section 14: 2630 feet from the South line and
10 feet from the East line;

1310 feet from the South line and
1310 feet from the East line;

Section 23: 1310 feet from the North line and
1310 feet from the East line;

10 feet from the North line and
2630 feet from the East line.

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

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

(5) That the applicant seeks approval for the unorthodox location of two producing wells located as follows:

TOWNSHIP 18 SOUTH, RANGE 27 EAST, NMPM

Section 14: 1330 feet from the South line and
10 feet from the East line;

Section 23: 10 feet from the North line and
1310 feet from the East line.

(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 applicant further seeks an administrative procedure whereby the project may be expanded by the drilling of additional injection and producing wells at orthodox and unorthodox locations without further 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, Anadarko Production Company, is hereby authorized to institute a waterflood project in the Artesia State Unit Area, Artesia Pool, by the injection of water into the Queen, Grayburg, and San Andres formations through the following-described wells at unorthodox locations in Township 18 South, Range 27 East, NMPM, Eddy County, New Mexico:

Section 13: 1330 feet from the South line and
1310 feet from the West line;

10 feet from the South line and
10 feet from the West line;

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Section 14: 2630 feet from the South line and
10 feet from the East line;

1310 feet from the South line and
1310 feet from the East line;

Section 23: 1310 feet from the North line and
1310 feet from the East line;

10 feet from the North line and
2630 feet from the East line.

(2) 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.

(3) 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 of said injection wells, 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.

(4) That the subject waterflood project is hereby designated the Anadarko Production Company Artesia State Unit Waterflood Project and shall be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

(5) That the applicant is hereby authorized to drill two producing wells at the following unorthodox locations:

TOWNSHIP 18 SOUTH, RANGE 27 EAST, NMPM

Section 14: 1330 feet from the South line and
10 feet from the East line;

Section 23: 10 feet from the North line and
1310 feet from the East line.

(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 Artesia State Unit Area as may be necessary to complete an efficient production and injection pattern, provided said wells are drilled no closer than 660 feet to the outer boundary of said unit 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

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shall include the following:

- (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.

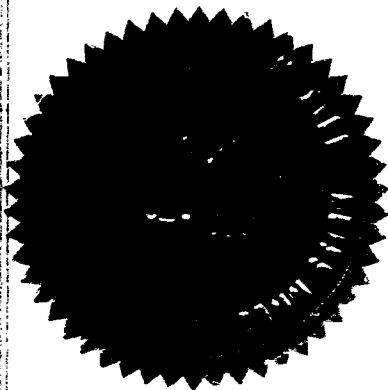
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

I. R. TRUJILLO, Chairman

ALEX J. ARMIJO, Member

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



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