CASE 3148: Application of NEWMONT for a waterflood buffer zone, Eddy County, New Mexico.

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APPlication,
Transcripts,
SMAIL Exhibits
ETC.

# OIL CONSERVATION COMMISSION SANTA FE, NEW MEXICO

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#### DOCKET: EXAMINER HEARING - TUESDAY - NOVEMBER 24, 1964

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:

- CASE 3147: Application of Newmont Oil Company for a waterfixed expansion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand its West Square Lake Waterflood Project by the injection of water into the Grayburg and San Andres formation through 10 wells in Sections 32, 33, and 35, Township 16 South, Range 30 East, and Section 4, Township 17 South, Range 30 East, Eddy County, New Mexico.
- CASE 3148: Application of Newmont Oil Company for a waterflood buffer zone, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks establishment of the NW/4 SE/4 of Section 28, the W/2 SW/4 of Section 33, and the SE/4 NW/4 and SE/4 NE/4 of Section 34, all in Township 16 South, Range 31 East, as a buffer zone adjacent to its Square Lake Waterflood Project, Eddy County, New Mexico.
- CASE 3149: Application of Newmont Oil Company for amendment of Order No. R-2178-B, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an amendment of Order No. R-2178-B to include the S/2 SE/4 of Section 11, Township 18 South, Range 29 East, in Stage I of the Loco Hills Sand Unit Waterflood Project, to approve two Stage I water injection wells in said Section 11, and to include the NE/4 NE/4 of Section 15, Township 18 South, Range 29 East, in Stage III of the waterflood project.
- CASE 3150: Application of California Oil Company for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Bogle Flats Unit Area comprising 11,091 acres, more or less, of State and Federal lands in Township 22 South, Range 23 East, Eddy County, New Mexico.
- CASE 3151: Application of Jake L. Hamon for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the dual completion (conventional) of its State E-8321 Well No. 1 located in Unit L of Section 4, Township 21 South, Range 35 East, Lea County, New Mexico, to produce oil from the Wolfcamp and Strawn formations through parallel strings of tubing.
- CASE 3152: Application of Jake L. Hamon for the creation of a new oil pool and for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new oil pool for Wolfcamp production for its State E-8321 Well No. 1 Jocated in Unit L of Section 4, Township 21 South, Range 35 East, Lea County, New Mexico, and for the promulgation of special rules for said pool, including a provision for 80-acre spacing and fixed well locations.

- CASE 3153: Application of Jake L. Hamon for the creation of a new oil pool and for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new oil pool for Strawn production for its State E-8321 Well No. 1 located in Unit L.of Section 4, Township 21 South, Range 35 East, Lea County, New Mexico, and for the promulgation of special rules for said pool, including a provision for 80-acre spacing and fixed well locations.
- CASE 3154: Application of Atlantic Refining Company for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Culwin Queen Unit Area comprising 820 acres, more or less, of State and Federal lands in Townships 18 and 19 South, Ranges 30 and 31 East, Eddy County, New Mexico.
- CASE 3155: Application of Atlantic Refining Company for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the Shugart Pool in its Culwin Queen Unit Area by the injection of water into the Queen formation through six injection wells in Section 36, Township 18 South, Range 30 East, Section 31, Township 18 South, Range 31 East, Section 1, Township 19 South, Range 30 East, and Section 6, Township 19 South, Range 31 East, Eddy County, New Mexico.
- CASE 3156: Application of Continental Oil Company for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the Cass Pool, Lea County, New Mexico, including a provision for 80-acre spacing and the transfer of allowables.
- CASE 3157: Application of The Pure Oil Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to complete its Red Hills Unit Well No. 1 located 330 feet from the South line and 2310 feet from the East line of Section 32, Township 25 South, Range 33 East, Lea County, New Mexico, as a dual completion (conventional) to produce gas from the Wolfcamp and Pennsylvanian formations through parallel strings of tubing.
- CASE 3158: Application of The Pure Oil Company for the creation of a new gas pool and for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Wolfcamp gas pool for its Red Hills Unit Well No. 1 located 330 feet from the South line and 2310 feet from the East line of Section 32, Township 25 South, Range 33 East, Lea County, New Mexico, and the promulgation of special pool rules including a provision for 640 acre spacing.
- CASE 3159: Application of The Pure Oil Company for the creation of a new gas pool and for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Pennsylvanian gas pool for its Red Hills Unit Well No. 1, located 330 feet from the South line and 2310 feet from the East line of Section 32, Township 25 South, Range 33 East, Lea County, New Mexico, and the promulgation of special pool rules including a provision for 640-acre spacing.

- November 24th Examiner Hearing
- CASE 3160: Application of Texaco Inc. for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the dual completion (tubingless) of its State of New Mexico "R" (NCT-4) Well No. 1 located in Unit C of Section 7, Township 18 South, Range 35 East, Lea County, New Mexico, to produce oil from the Vacuum-San Andres and Vacuum-Abo Reef Pools through parallel strings of 2-7/8 inch casing cemented in a common well bore.
- CASE 3161: In the matter of the hearing called by the Oil Conservation Commission upon its own motion to permit Southern Union Production Company and all other interested parties to show cause why the Robert Mims-State Well No. 1 located in Unit M of Section 16, Township 29 North, Range 9 West, San Juan County, New Mexico, should not be properly repaired or plugged in accordance with a Commission approved plugging program.
- CASE 3162: Application of Continental Oil Company for a waterflood expansion and an administrative procedure, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to convert to water injection its General American Green "B" Wells Nos. 4 and 7, located in Unit H of Section 7 and Unit L of Section 5, respectively, Cave Pool Waterflood Project, Township 17 South, Range 29 East, Eddy County, New Mexico. Applicant further seeks an administrative procedure in exception to Rule 701 whereby additional wells in said project could be converted to water injection prior to receiving response from flooding operations.

#### BEFORE THE OIL CONSERVATION COMMISSION

#### STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF NEWMONT OIL COMPANY FOR AN ORDER FOR THE DESIGNATION OF THE Wash of SECTION 33, THE NWase of Section 28, THE SEANN AND THE SEANE OF SECTION 34, ALL IN TOWNSHIP 16 SOUTH, RANGE 31 EAST, N.M.P.M., IN THE EAST SQUARE LAKE POOL, EDDY COUNTY, NEW MEXICO, AS A BUFFER ZONE ADJACENT TO A WATERFLOOD PROJECT.

No. 2198

#### APPLICATION

COMES NOW Applicant, Newmont Oil Company, by its attorney, John F. Russell, and states:

1. Applicant is the operator of the Square Lake water-flood project and Order R-1110-D entered in Case No. 2607 designated the following described acreage to be included in said waterflood project:

## TOWNSHIP 16 SOUTH, RANGE 31 EAST, NMPM EDDY COUNTY, NEW MEXICO

Section 19: SISEI Section 20: SISWY Section 28: Wisky Section 29: A11 Section 30: NEt and EtSEt Section 32: Nz Section 33: Nz, SEz and EzSWz Section 34: St, Wanwa and SwanEt

2. Applicant is the operator of the leases covering the following described lands which are adjacent to the above described waterflood project:

## TOWNSHIP 16 SOUTH, RANGE 31 EAST, NMPM EDDY COUNTY, NEW MEXICO

Section 28: NW4SE4 Section 33: W2SW4

Section 34: SEINWI, SEINEI

- 3. Attached hereto, marked Exhibit 1, and made a part hereof is a plat showing the Square Lake waterflood project and the location of the lands described in Paragraph 2.
- 4. Attached hereto, marked Exhibit 2, and made a part hereof is a graph showing the monthly oil production of the wells located on the lands described in Paragraph 2.
- 5. The wells located on the lands described in Paragraph 2 have received response from the offsetting injection wells located on the waterflood project.
- 6. Paragraph 9 of Order No. 1110-D entered in Case No. 2607 provides that any future expansions to the said waterflood project area should be considered for inclusion in a buffer zone to be created around the project area.
- 7. The designation of the lands described in Paragraph 2 as a buffer zone to the Square Lake waterflood project area will prevent waste and will protect correlative rights.

WHEREFORE, Applicant requests the Commission to set this matter down for hearing before an Examiner, to publish its notice as provided by law and, after hearing, to issue its order designating the buffer zone as requested in this Application.

Respectfully submitted,
NEWMONT OIL COMPANY

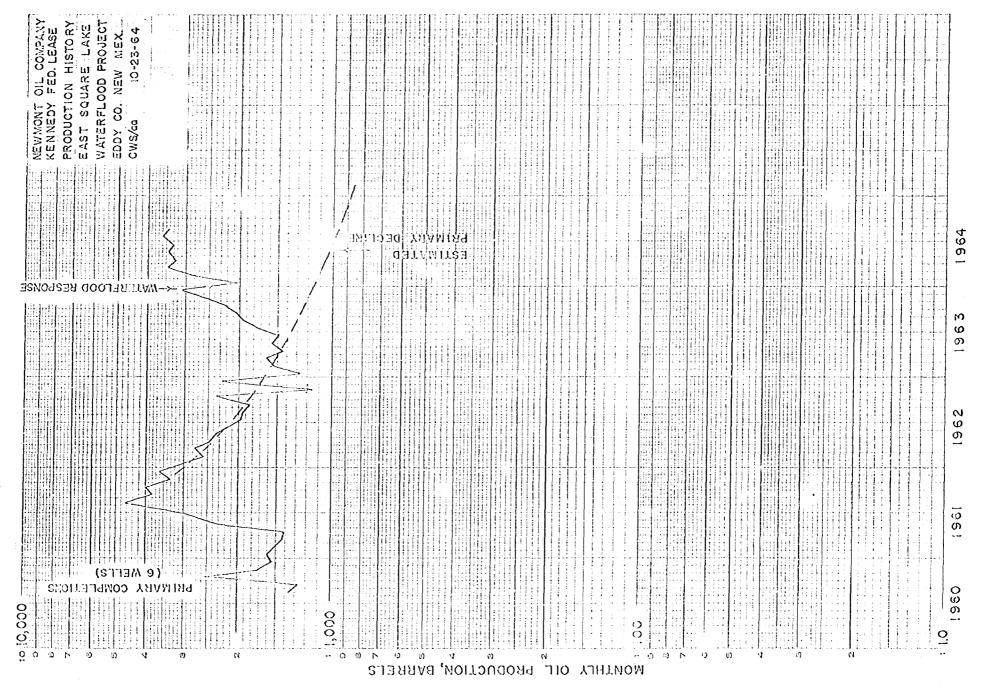
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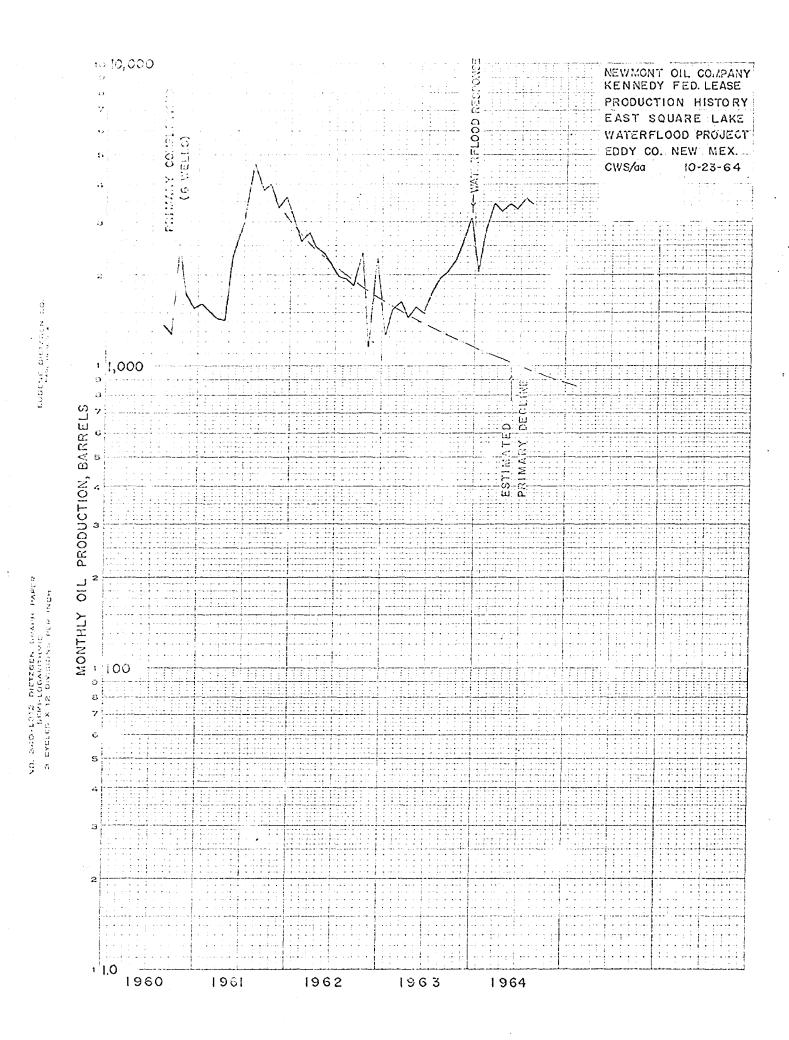
Roswell, New Mexico Attorney for Applicant

DATED: October 30, 1964

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LAW OFFICES OF

JOHN F. RUSSELL
SUITE 1010 SECURITY NATIONAL BANK BUILDING
P.O. DRAWER 640
ROSWELL, NEW MEXICO 86201

November 2, 1964

TELEPHONE 622-4641
AREA CODE 505

Oil Conservation Commission Box 2088 Santa Fe, New Mexico 87501

Gentlemen:

I transmit herewith an application of Newmont Oil Company with the request that it be set down at the examiner hearing scheduled for November 24.

Very truly yours,

John J. Jussell John F. Russell

JFR:np

**Enclosures** 

DOCKET MAILED

Dale 11-13-64

# GOVERNOR JACK M. CAMPBELL CHAIRMAN

### State of New Mexico

## **Gil Conserbation Commission**

LAND COMMISSIONER E. S. JOHNNY WALKER MEMBER



STATE SECULISIST A. L. PORTER, JR. SECRETARY - DIRECTOR

December 7, 1964

Mr. John Russell Attorney at Law Post Office Drawer 640 Roswell, New Mexico Re: Case No. 3148
Order No. R-2828
Applicant:

NEWMONT OIL COMPANY

Dear Sire

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

Very truly yours,

L. Porter, Jr.

A. L. PORTER, Jr.

Secretary-Director

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#### HEFORE 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:

> CASS No. 3148 Order No. R--2828

APPLICATION OF NEWMONT OIL COMPANY FOR A WATERFLOOD BUFFER ZONE, EDDY COUNTY, NEW MEXICO.

#### ORDER OF THE COMMISSION

#### BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on November 24, 1964, at Santa Fe. New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 7th day of Becember, 1964, 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, Newmont Oil Company, seeks establishment of the NW/4 SE/4 of Section 28, the W/2 SW/4 of Section 33, and the SE/4 NW/4 and SE/4 NE/4 of Section 34, Township 16 South, Range 31 East, NMPM, Eddy County, New Mexico, as a buffer zone adjacent to a capacity-type waterflood project.
- (3) That the above-described acreage is adjacent to the Square Lake Waterflood Project which is a capacity-type water-flood project.
- (4) That approval of the proposed buffer zone will afford the applicant an opportunity to produce its just and equitable share of the oil in the pool and will otherwise prevent waste and protect correlative rights.

2\* CASE No. 3148 Order No. R-2828

(5) That the subject application should be approved and that the buffer zone chould be governed by the provisions of Rules 701, 702, and 700 of the Commission Rules and Regulations; provided however, that capacity allowables should be assigned to the vells in the buffer zone.

#### IT IS THEREFORE ORDERED:

- (1) That the NW/4 SE/4 of Section 28, the W/2 SW/4 of Section 33, and the SB/A NW/4 and SE/4 NE/4 of Section 34, Township 16 South, Range 31 East, NMPM, Eddy County, New Mexico, is hereby designated a waterflood buffer zone wherein water can be injected and wells produced at rates comparable to the Newmont Oil Company Square Lake Waterflood Project.
- (2) That said buffer zone shall be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations; provided however, that capacity allowables shall be assigned to the wells in said buffer zone.
- (3) That monthly progress reports concerning the buffer zone herein authorized shall be submitted to the Commission in accordance with Rules 704 and 1119 of the Commission Rules and Regulations.
- (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 Maxico, on the day and year hereinabove designated.

STATE OF NEW MEXICO

QIL CONSERVATION COMMISSION

MACK M. CAMPBELL Chairman

1. L. Laiter

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

esr/

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DALLT COPT, CONTROL SILMS BLDG. • P. O. BOX 1092 • PHONE 243-6491 • ALBUQUERQUE, NEW MEXICO

dearnley-meier reporting service

# BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION Santa Fe, New Mexico

November 24, 1964

EXAMINER HEARING

IN THE MATTER OF:

Application of Newmont Oil Company for a buffer zone, Eddy County, New Mexico.

Case No. 3148

BEFORE: DANIEL S. NUTTER, EXAMINER

TRANSCRIPT OF HEARING



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# BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION Santa Fe, New Mexico November 24, 1964

#### EXAMINER HEARING

IN THE MATTER OF:

Application of Newmont Oil Company ) for a buffer zone, Eddy County, New Mexico. )

CASE NO. 3148

BEFORE:

DANIEL S. NUTTER, EXAMINER

#### TRANSCRIPT OF HEARING

MR. NUTTER: Call Case 3148.

MR. DURRETT: Application of Newmont Oil Company

for a buffer zone, Eddy County, New Mexico.

MR. RUSSELL: John F. Russell appearing on behalf of the Applicant and I have one witness, will you stand and be sworn.

MR. DURRETT: Let the record show that he has been sworn in the previous case.

#### CHARLES SEELY

called as a witness herein, having been previously sworn, was examined and testified as follows:

#### DIRECT EXAMINATION



#### BY MR. RUSSELL:

- Q Your name is Charles Seely and have you previously qualified to give testimony before this Commission?
  - A That's correct.
  - Q And you work for Newmont Oil Company?
  - A That's correct.
  - Q The Applicant in Case Number 3148?
  - A I am.
- Q Will you please explain what the Applicant seeks by this application?
- A Requesting a buffered zone type treatment on allowable for acreage shown on Exhibit Number One, the acreage in red is the area that we are requesting this buffer zone treatment.

  The acreage shown in blue is in the present Newmont Waterflood Project.
- Q And the area outlined in red, are those for which you request the buffer zone treatment?
  - A That's correct.
- Q And you are the operator of the flood as outlined in blue which has previously been approved by the Commission, is that correct?
  - A That's right.
- Q All right. Now, I will refer you to Exhibit Number 2 and ask you what that is?

dearnley-meier

This is a production plan curve for the wells that are outlined in red and, as you can see, most of the wells were drilled and completed in 1960 and there has been a decline there, or there was a decline from the latter part of 1961 down through the middle of 1963 and the middle of 1964. As you can see, there has been an increase in production which this can be attributed to offset water injection.

In other words, all five wells shown within the buffered zone received responses from the offsetting injection wells?

Not all of the wells, all of the wells as shown in the red with the exception of well number 3 which is presently making around two or three barrels of oil per day.

- But the other four have received responses?
- That is correct. Α
- And there is no proposal at this time to convert any of the wells in the buffer zone to injection wells, is that correct?
  - That's correct.
- Now, under Paragraph 9 of Order Number 1110 as entered in Case Number 2607, did it provide that any future expansion of the waterflood shown in blue should be considered for inclusion in a buffer zone to be created around the project?
  - Yes, it did.



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• P. O. BOX

In your opinion will the inclusion of request of Q acreage within the buffer zone and being given buffer zone treatment prevent waste and protect correlative rights?

Yes. Α

Do you have anything further that you would like to mention to the Examiner in connection with this application?

A No.

MR. RUSSELL: I have no further questions.

MR. NUTTER: Are there any questions of Mr. Seely?

#### CROSS-EXAMINATION

#### BY MR. NUTTER:

What is the maximum rate that any of these wells is Q producing at this time?

We have one well that's producing right at 37 barrels Α per day, this Number 6 well.

In Section 34? Q

In Section 34, it would be the Southeast of the Northwest

And it's capable of producing normal top allowable: at this time?

Α Yes.

And I presume that the productive capacity of the well is coming up?

Well, it is coming up, in fact, all of the wells are increasing. As you can see, it's beginning to level off somewhat, dearnley-meier reporting

but it's still increasing somewhat.

And in effect, this is the capacity allowable for these five 40 acres, correct?

Yes.

MR. RUSSELL: At this time I would ask that Applicant's Exhibits 1 and 2 be admitted into evidence.

MR. NUTTER: Exhibits 1 and 2 will be admitted into evidence.

(Whereupon, Applicant's Exhibits 1 and 2 entered in evidence.)

MR. NUTTER: Do you have any questions, Mr. Durrett?

MR. DURRETT: I have nothing.

MR. NUTTER: We will take it under advisement.



1120 SIMMS BLDC, . P. O. BOX 1092 . PHONE 243-6691 . ALBUQUERQUE,

dearnley-meier Gazzere Bereice

NEW MEXICO

STATE	OF	NEW	MEXICO	)	
				)	SS
COUNTY	OF	BEI	RNALILLO	)	

I, JOHN ORFANIDES, Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission Examiner at Santa Fe, New Mexico, is a true and correct record to the best of my knowledge, skill and ability.

COURT REPORTER



I do hereby certify that the foregoing is a complete record of the proceedings in the Examinar hearing of Case No. 3/4 hoard by me on 1/24. 196 heard by me on

examiner Examiner

Naw Mexico Oil Conservation Commission

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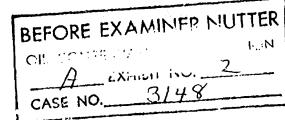
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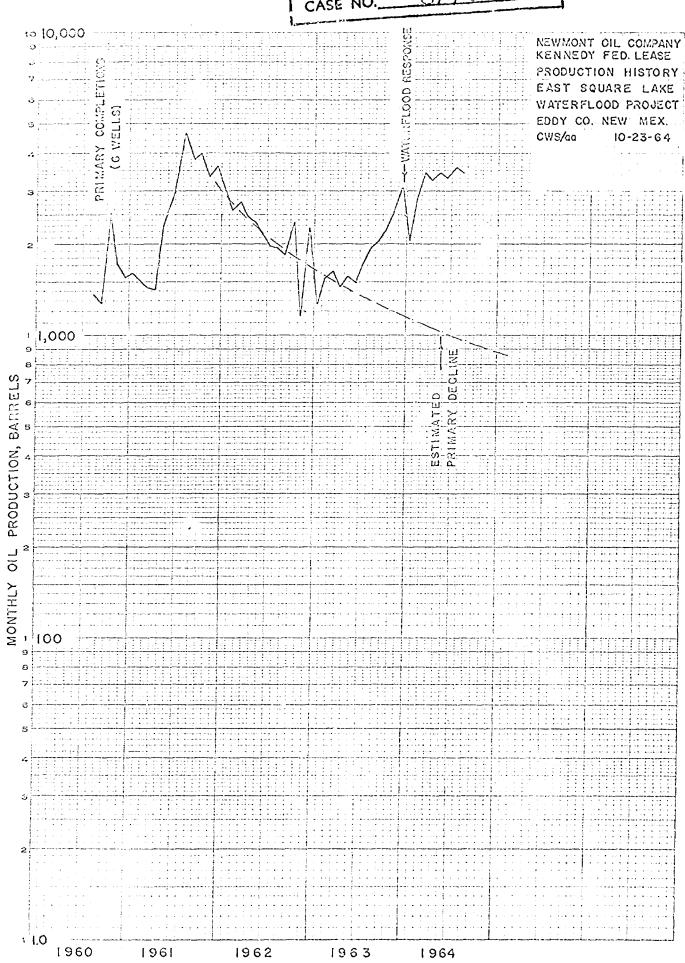
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#### EXHIBITS

NUMBER	MARKED FOR IDENTIFICATION	OFFERED	ADMITTED
Echibit 1	3	6	6
Exhibit 2	3	6	6







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