

CASE 3149: Application of NEWMONT
for amendment of Order R-2178-B,
Eddy County, New Mexico.

*John - need for
spec*

CASE No.
3749

Application,
TRANSCRIPTS,
SMALL Exhibits
ETC.

OIL CONSERVATION COMMISSION
P. O. BOX 871
SANTA FE, NEW MEXICO

December 15, 1964

C
O
P
Y
Mr. John Russell
Attorney at Law
Post Office Drawer 640
Roswell, New Mexico

Dear Sir:

Reference is made to Commission Order No. R-2829, recently entered in Case No. 3149, approving the expansion of Stage I and Stage III of Newmont Oil Company's Loco Hills Sand Unit Waterflood Project.

As discussed at the hearing, injection is to be through casing after the casing in Well No. 31-1 and Well No. 31-2 has been pressure-tested to the maximum expected injection pressure of 1800 psi and the results of such tests furnished to the Commission and to the State Engineer Office at Santa Fe. In the event casing failure is detected in either well, injection shall be permitted in said well only through plastic-coated tubing and packer.

As to allowable, our calculations indicate that when all of the authorized injection wells in Stage I has been placed on active injection, the maximum allowable which the project will be eligible to receive under the provisions of Rule 701-E-3 is 1778 bopd; when all of the authorized injection wells in Stages I, II, and III have been placed on active injection, the maximum allowable will be 3332 bopd. The above allowables are in addition to the allowable assigned to the buffer zones.

Please report any error in this calculated maximum allowable immediately, both to the Santa Fe office of the Commission and the appropriate district proration office.

OIL CONSERVATION COMMISSION
P. O. BOX 871
SANTA FE, NEW MEXICO

-2-

Mr. John Russell
Attorney at Law
Post Office Drawer 640
Roswell, New Mexico

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In order that the allowable assigned to the project may be kept current, and in order that the operator may fully benefit from the allowable provisions of Rule 701, it behooves him to promptly notify both of the aforementioned Commission offices by letter of any change in the status of wells in the project area, i.e., when active injection commences, when additional injection or producing wells are drilled, when additional wells are acquired through purchase or unitization, when wells have received a response to water injection, etc.

Your cooperation in keeping the Commission so informed as to the status of the project and the wells therein will be appreciated.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/DSH/ir

cc: Mr. Frank Irby
State Engineer Office
Capitol Building
Santa Fe, New Mexico

Oil Conservation Commission:
Hobbs and Artesia, New Mexico

GOVERNOR
JACK M. CAMPBELL
CHAIRMAN

State of New Mexico
Oil Conservation Commission



LAND COMMISSIONER
E. S. JOHNNY WALKER
MEMBER

P. O. BOX 871
SANTA FE

STATE GEOLOGIST
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. 3149
Order No. R-2829
Applicant:
Newmont Oil Company

Dear Sir:

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

Very truly yours,

A handwritten signature in cursive script, reading "A. L. Porter, Jr.", is written over the typed name.

A. L. PORTER, Jr.
Secretary-Director

Note: Letter setting out the maximum allowable which this project
will be eligible to receive will follow.
ir/

Carbon copy of order also sent to:

Hobbs OCC X

Artesia OCC X

Astec OCC

OTHER Mr. Frank Irby



STATE OF NEW MEXICO

STATE ENGINEER OFFICE

SANTA FE

S. E. REYNOLDS
STATE ENGINEER

November 10, 1964

ADDRESS CORRESPONDENCE TO:
STATE CAPITOL
SANTA FE, N. M.

87501

Mr. A. L. Porter, Jr.
Secretary-Director
Oil Conservation Commission
Santa Fe, New Mexico

Dear Mr. Porter:

Reference is made to the application of Newmont Oil Company submitted by John F. Russell on November 2, 1964 which seeks an amendment to Order No. R-2178-B as amended by Order No. R-2178-C, which will authorize them to add the S $\frac{1}{2}$ of the SE $\frac{1}{4}$ of Sec. 11 in Stage 1 and the NE $\frac{1}{4}$ of the NE $\frac{1}{4}$ of Sec. 15 in Stage 3, both in T. 18 S., R. 29 E., and the conversion of wells 30-1 and 30-2 to water injection.

This office offers no objection to the granting of this application, provided injection is down internally plastic-coated tubing under a packer or adequate tests are made of the casing prior to injection and at frequent intervals thereafter.

Yours truly,

S. E. Reynolds
State Engineer

By: *Frank E. Irby*
Frank E. Irby
Chief
Water Rights Div.

FEI/ma
cc-J. F. Russell
F. H. Hennighausen

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. 3149
Order No. R-2829

APPLICATION OF NEWMONT OIL COMPANY
FOR AMENDMENT OF ORDER NO. R-2178-B,
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 December, 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 amendment of Order No. R-2178-B to include the S/2 SE/4 of Section 13, Township 18 South, Range 29 East, NMPM, Eddy County, New Mexico, in Stage I of the Loco Hills Sand Unit Waterflood Project and to include the NE/4 NE/4 of Section 15, Township 18 South, Range 29 East, NMPM, Eddy County, New Mexico, in Stage III of said waterflood project.

(3) That the applicant also seeks authority to convert to water injection its Well No. 30-1 located in Unit O and its Well No. 30-2 located in Unit P of Section 11, Township 18 South, Range 29 East, NMPM, Eddy County, New Mexico.

(4) That approval of the subject application should increase the efficiency of the Loco Hills Sand Unit Waterflood Project, thereby preventing waste.

-2-

CASE No. 3149

Order No. R-2829

IT IS THEREFORE ORDERED:

(1) That Order No. R-2178-B, dated June 14, 1962, is hereby amended by the inclusion of the S/2 SE/4 of Section 11, Township 18 South, Range 29 East, NMPM, Eddy County, New Mexico, in Stage I of the Loco Hills Sand Unit Waterflood Project, and the inclusion of the NE/4 NE/4 of Section 15, Township 18 South, Range 29 East, NMPM, Eddy County, New Mexico, in Stage III of said waterflood project.

(2) That the applicant, Newmont Oil Company, is hereby authorized to convert to water injection in Stage I of the Loco Hills Sand Unit Waterflood Project Well No. 30-1 located in Unit O and Well No. 30-2 located in Unit P of Section 11, Township 18 South, Range 29 East, NMPM, Eddy County, New Mexico.

(3) 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
JACK M. CAMPBELL, Chairman

E. S. Walker
E. S. WALKER, Member

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

nsr/

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 waterflood 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 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.

November 24th Examiner Hearing

- 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)
AMENDING ORDER R-2178-B ENTERED IN)
CASE NO 2578, AS AMENDED BY ORDER R-)
2178-C ENTERED IN CASE NO. 2805, TO)
ADD THE S $\frac{1}{2}$ SE $\frac{1}{4}$ OF SECTION 11 IN STAGE)
I AND THE NE $\frac{1}{4}$ NE $\frac{1}{4}$ OF SECTION 15, ALL)
IN TOWNSHIP 18 SOUTH, RANGE 29 EAST,)
IN STAGE III OF THE LOCO HILLS SAND)
UNIT WATERFLOOD PROJECT, EDDY COUNTY,)
NEW MEXICO.)

No. 3149

APPLICATION

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

1. Applicant, Newmont Oil Company, is the operator of
the Loco Hills Sand Unit Waterflood Project, Eddy County, New
Mexico.
2. The following described lands are located within the
Loco Hills Sand Unit:

Township 18 South, Range 29 East
Eddy County, New Mexico

Section 11: S $\frac{1}{2}$ SE $\frac{1}{4}$
Section 15: NE $\frac{1}{4}$ NE $\frac{1}{4}$

which said lands were inadvertently omitted from the application
filed in Case No. 2578 which resulted in their also being omitted
in Order No. R-2178-B entered in said case.

3. The S $\frac{1}{2}$ SE $\frac{1}{4}$ of said Section 11 should be included in
Stage I of the waterflood project and well No. 30-1 located in the
SW $\frac{1}{4}$ SE $\frac{1}{4}$ and well No. 30-2 located in the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of said Section 11

should be converted to water injection wells at this time in conformity with the schedule approved by Order No. R-2178-C entered in Case No. 2805.

4. The NE¹/₄NE¹/₄ of said Section 15 should be included in Stage III of the waterflood project.

5. Attached hereto, marked Exhibit 1, and made a part hereof is a plat showing the Loco Hills Sand Unit waterflood project.

6. Attached hereto, marked Exhibit 2, and made a part hereof is the available completion data in connection with the proposed injection wells to be included in Stage I.

7. Attached hereto, marked Exhibit 3, and made a part hereof are diagrammatic sketches of the proposed injection wells to be included in Stage I.

8. That upon approval of the inclusion of the requested lands to be included in the Loco Hills Sand Unit Waterflood Project, that the allowables for Stages I and III be adjusted to reflect their inclusion.

WHEREFORE, Applicant requests the commission to set this matter down for hearing before its Examiner, publish notice as required by law and, after hearing, issue its order amending Order No. R-2178-B entered in Case No. 2578 as requested by this Application.

Respectfully submitted,

NEWMONT OIL COMPANY

By John F. Russell
P.O. Drawer 640
Roswell, New Mexico
Attorney for Applicant

DATED: October 30, 1964

COMPLETION DATA

TRACT 30, WELL NOS. 1 AND 2
 WEST LOCO HILLS GRAYBURG NO. 4 SAND UNIT
 EDDY COUNTY, NEW MEXICO

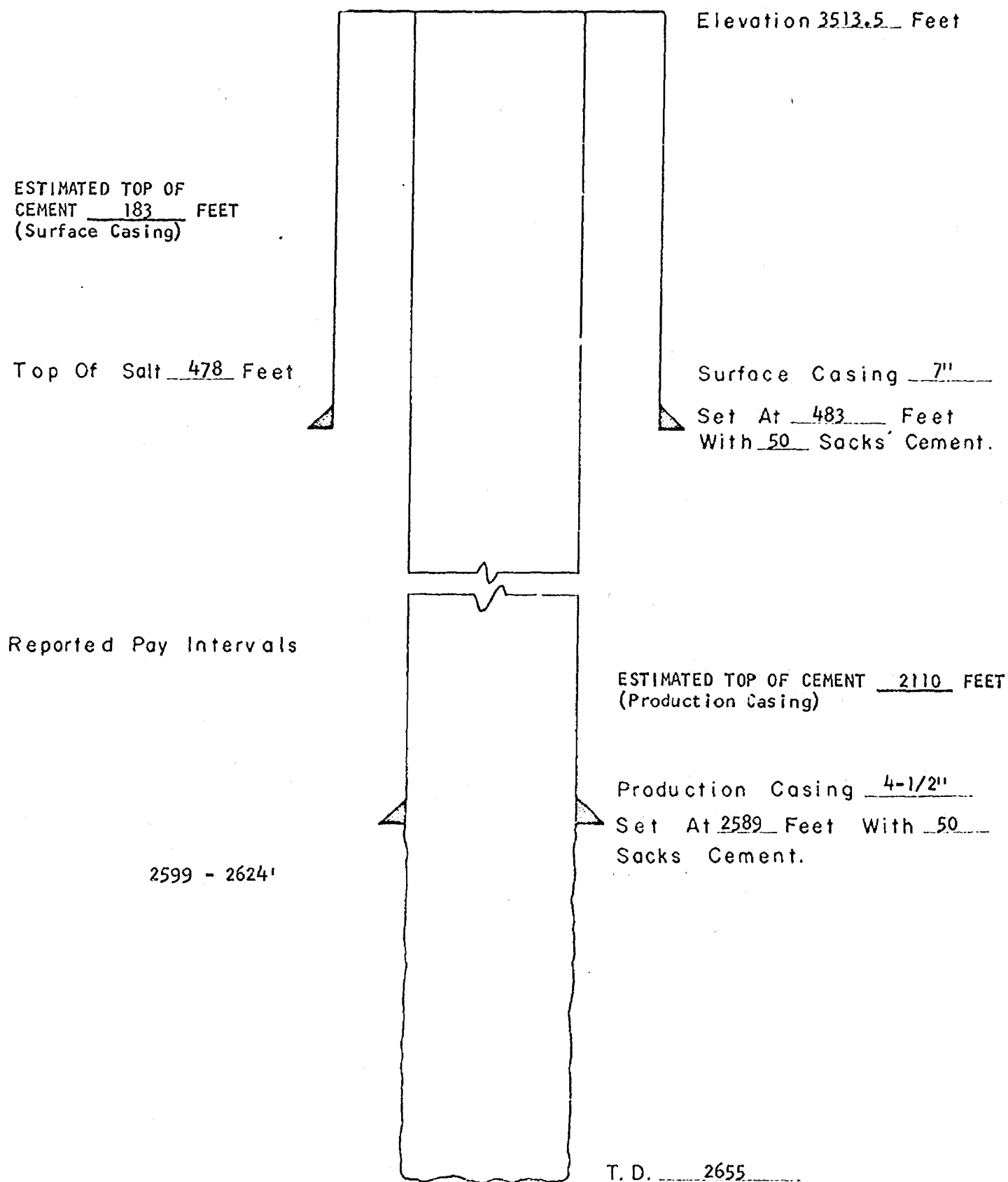
Well Number	<u>30-1</u>	<u>30-2</u>
Location	SW/4 SE/4, Sec. 11 T18S R29E	SE/4 SE/4, Sec. 11 T18S R29E
Elevation	3513.5'	3519'
Completion Date	6-25-64	7-14-64
Surface Casing:		
Size	7"	7"
Depth	483'	474'
Sacks Cement Used	50	50
Estimated Top of Cement	183'	174'
Top of Salt	478'	469'
Production Casing:		
Size	4-1/2"	4-1/2"
Depth	2589'	2632'
Sacks Cement Used	50	50
Estimated Top of Cement	2110'	2152'
Reported Pay Intervals	2599 - 2624'	2647 - 2655'
Total Depth	2655'	2676'

RRP:ajg
 October 29, 1964

2655 2149

NEWMONT OIL COMPANY
PROPOSED WATER INJECTION WELL
SCHEMATIC COMPLETION DIAGRAM

Field Loco Hills County Eddy Lease West Loco Hills Ut. Well No. 30-1
Location SW/4 SE/4, Sec. 11 T18S R29E Comp. Date 6-25-64

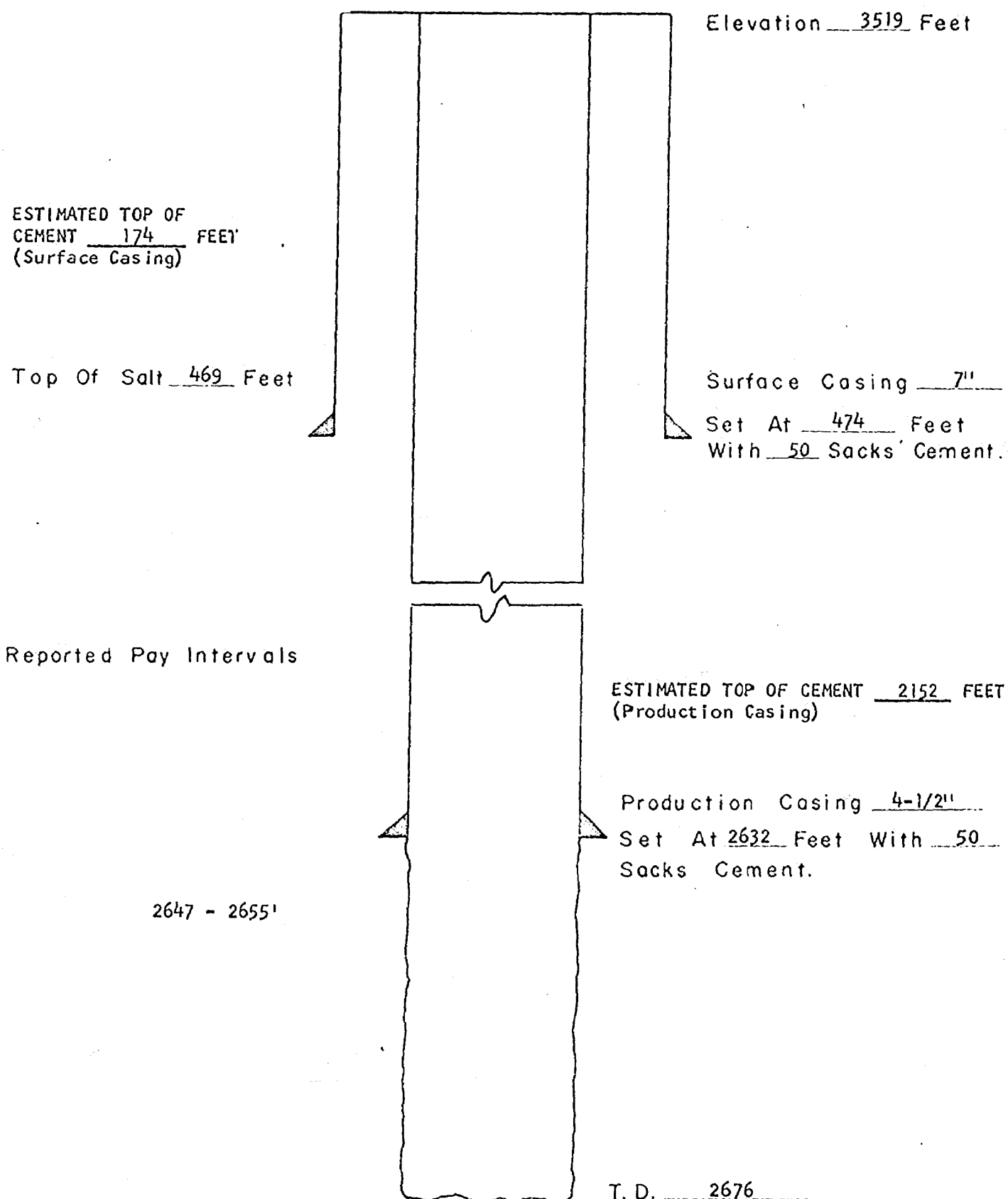


3149

NEWMONT OIL COMPANY
PROPOSED WATER INJECTION WELL
SCHEMATIC COMPLETION DIAGRAM

Field Loco Hills County Eddy Lease West Loco Hills Ut. Well No. 30-2

Location SE/4 SE/4, Sec. 11 T18S R29E Comp. Date 7-14-64



OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Date 11/30/64

CASE

3149


Hearing Date

9am 11/24/64
DSO SE

My recommendations for an order in the above numbered cases are as follows:

Enter an order expanding the
water flood proj operated
by Newmont Oil Co in the Loco
Hills Sand Unit Area pursuant
to Order R-2178, 78-A, & 78-B
by adding the following acreage
to ~~the~~ Stage I of the project:
2 1/2 SE/4 of Sec 11, T18S, R29E
also authorize the conversion of
well no 30-1 in Unit O and well
no 30-2 in Unit P to water injection.

Also:
Add the following acreage to
Stage III for the development of the
project. NE/4 NE/4 Sec 15, T18S,
R29E.


S. H. DAVIS

LAW OFFICES OF
JOHN F. RUSSELL
SUITE 1010 SECURITY NATIONAL BANK BUILDING
P O DRAWER 640
ROSWELL, NEW MEXICO 88201

NOV 3 1964
TELEPHONE 622-4641
AREA CODE 505

November 2, 1964

Nov 3/4

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.

A copy of this application and exhibits have been forwarded to Mr. Frank Irby at the office of the State Engineer.

Very truly yours,

John F. Russell
John F. Russell

JFR:np

Enclosures

cc: Mr. Frank Irby - w/encls.

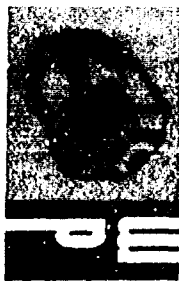
DOCKET MAILED

Date 11-13-64
h

dearnley-meier reporting service, inc.

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

1120 SIMMS BLDG. • P. O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO



PAGE 1

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
an amendment of Order No. R-2178-B, Eddy
County, New Mexico.

Case No. 3149

BEFORE: DANIEL S. NUTTER, EXAMINER

TRANSCRIPT OF HEARING

MAIN OFFICE
'64 DEC 5 AM

dearnley-meier reporting service, inc.

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS
1120 SIMMS BLDG. • P. O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO

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 amendment of Order No. R-2178-B,
Eddy County, New Mexico.

CASE NO. 3149

BEFORE: DANIEL S. NUTTER, EXAMINER

TRANSCRIPT OF HEARING

MR. NUTTER: Call Case Number 3149.

MR. DURRETT: Application of Newmont Oil Company for
amendment of Order No. R-2178-B, Eddy County, New Mexico.

MR. RUSSELL: John F. Russell representing the
Applicant, I have one witness who has testified in the two
previous cases.

MR. DURRETT: Let the record show that Mr. Seely
testified in the two previous cases and qualified as an expert
witness. and was sworn as a witness.

DIRECT EXAMINATION

BY MR. RUSSELL:

Q Mr. Seely, are you familiar with the application of

the Newmont Oil Company in Case Number 3149?

A Yes, I am.

Q Would you please explain what this application proposes?

A This application proposes to include two tracts in the west Loco Hills, Grayburg Number Four sand unit to be included in the various stages as was granted previously. These two tracts were inadvertently left out in the granting of allowable and setting up of the various stages in the unit.. This is tract Number 19-C which we propose to be included in stage 3 and tract Number 30 to be included in stage Number 1. These two tracts are included within the limits of the unit but were left out of the description of the stages.

Q Now, you're referring to Exhibit Number 1 and that does show a different coloring, the various stages which have previously been approved?

A That's correct, it shows the buffered zone and stages 1 through 5 in different colors.

Q And the 40 acre tract in stage 3 and the 80 acre tract in stage 1 is within the unit as approved?

A That's correct.

Q And the purpose of this application is to amend the original order to include this acreage and to adjust for the allowable in accordance with stages 1 and 3?

dearnley-meier

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

1120 SIMMS BLDG. • P. O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO

A That's correct.

Q All right. I'll refer you to what has been marked Exhibit 2 and ask you what that shows?

A This is completion data on well Number 30-1 and 30-2, which gives the location, the completion date, the casing that was set, the sacks of cement that were used, and the reported pay intervals and the total depth.

Q Now, do you propose to place on injection two wells on the tract located in site 1, is that correct?

A That's correct.

Q All right. Referring you to Applicant's Exhibit Number 3, will you explain what those reflect?

A These are diagrammatic sketches of the wells to be converted to water injection on 30-1 and 30-2.

Q Would you explain to the Examiner how you propose to complete these as injection wells?

A Well, these wells will be pressure tested and by running in the tubing, packer, then in the event of a leak which is very doubtful since this is new casing with pipe set right on top of it and in the event there is a leak through the tubing packer will be set and injection will be down through the tubing.

Q And this water that you are to inject, is that also from Yucca Water Company?

A Yes sir.

Q Which is fresh water?

A That's correct.

Q Will the rate of injection, the pressure and the flow conform to stage 1 as approved by the Commission?

A That's right.

Q All right. I'll refer you to Exhibit Number 4 and ask you what that shows?

A That is a radioactive log of well Number 30-1 which gives nothing more than a description of various pay intervals with the pay we are concerned about being located about 2600 feet.

Q And which well is that?

A This is 30-1.

Q All right. I'll refer you to what has been marked as Applicant's Exhibit 5 and ask you what that shows?

A That is a log on the same type of information.

Q Now, you do not contemplate placing on injection the well located on tract 19-C, is that right?

A That's correct.

Q If this well were placed on injection would it be in accordance as the same for stage 3 as previously approved by the Commission?

A That's correct.

Q Do you have anything further to add in connection

with this application?

A No.

MR. RUSSELL: I have nothing further of this witness.

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

MR. IRBY: Yes sir.

CROSS-EXAMINATION

BY MR. IRBY:

Q Mr. Seely, what disposal is being made of the produced water now?

A Well, let me say this, we have an offset project to this particular project and we are gathering all of the produced water and re-injecting it, we have a separate system over there and we propose that that's what we will be doing here.

Q Then there will be no produced water injected in these wells?

A I can't really say that. I'm not sure exactly what this one pump can do. I don't think that there will be any produced water injected in the wells though I think probably these wells up in the buffer zone with one pump and one separate system for this produced water --

Q This was recognized under a previous hearing, was it not, that certain wells would receive produced water for injection and certain other wells would receive fresh water for

dearnley-meier reporting service, inc.

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

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injection, is this correct?

A I'm not familiar with that.

MR. NUTTER: I don't recall that this is the one.

THE WITNESS: I don't believe so. There was no --
I don't recall this at all.

Q (By Mr. Irby) Well, then, wherever you use produced water, contaminated water of any sort, you will use tubing and packer?

A I think that will probably be the plan, yes, and protective casing.

Q And will you advise me at any time that there is an indication of a casing leak and also of any plan to inject produced water into these wells?

A Yes.

MR. IRBY: That's all.

CROSS-EXAMINATION

BY MR. NUTTER:

Q Mr. Seely, you are at present in stage 1, are you not?

A We are through stage Number 2 and stage 3 will be placed on conversion as of the first of the year.

Q Have all the wells in stage 2 already been converted or are you working on the two at the present time?

A No, we have not converted 1179.

Q Where is that located?

A It's located in the southwest of the southwest of Section 11 and the reason here is we are working with an offset but other than that the wells have been converted.

Q So, in effect, what you did was bypass these?

A Yes.

Q And also what you are seeking is immediate approval for the conversion of those wells?

A Yes.

Q And the other wells in Section 15 would come in stage 3 which would be shortly after the first of the year?

A That's correct.

Q Now, we have a schematic diagram for the two wells which you are seeking immediate approval for, 31 and 32, and you would file for the 19-C, I believe that's the name of it, the 19-C, administratively and would submit the diagram at the time the conversion would be made?

A That's correct.

Q In your opinion, is the inclusion of tract 19-C in stage 3 a logical pattern to follow as far as the location of those and the location of the stages?

A Very definitely.

MR. NUTTER: Are there any further questions of this witness?

MR. RUSSELL: At this time, I'd like to introduce into evidence Applicant's Exhibits 1 through 5, inclusive.

MR. NUTTER: Exhibits 1 through 5 are admitted in evidence.

MR. RUSSELL: I have nothing further.

MR. NUTTER: Does anyone have anything further?

MR. DURRETT: If the Examiner pleases, I would like to mention that the Commission has received a letter from the State Engineering office stating that they have no objection to the granting of it provided, in turn, plastic tubing or adequate tests are made of the casing prior to injection and at frequent intervals thereafter. I believe Mr. Irby has that in his proviso there with reference to produced water, the injection of produced water.

MR. IRBY: I think that Mr. Seely's assurance that I will receive these reports that I have requested will take care of the proviso.

MR. NUTTER: And you offer no objection to water being injected down in the casing at this time?

MR. IRBY: That's correct.

MR. NUTTER: If there is nothing further, we will take this case under advisement.

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STATE OF NEW MEXICO)
) ss.
COUNTY OF BERNALILLO)

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.

John Orfanides
COURT REPORTER

I do hereby certify that the foregoing is a complete and correct transcript of the proceedings in the Examination of the New Mexico Oil Conservation Commission heard by me on 11/24, 1964. 3149
John Orfanides, Examiner
New Mexico Oil Conservation Commission

I N D E X

<u>WITNESS</u>	<u>PAGE</u>
GEORGE SEELY	
Direct Examination by Mr. Russell	2
Cross-Examination by Mr. Irby	6
Cross-Examination by Mr. Nutter	7

E X H I B I T S

<u>NUMBER</u>	<u>MARKED FOR IDENTIFICATION</u>	<u>OFFERED</u>	<u>ADMITTED</u>
Exhibit 1	3	9	9
Exhibit 2	4	9	9
Exhibit 3	4	9	9
Exhibit 4	5	9	9
Exhibit 5	5	9	9

BEFORE EXAMINER NUTTER

CIL CONSERVATION COMMISSION

A EXHIBIT NO. 2CASE NO. 3149COMPLETION DATA

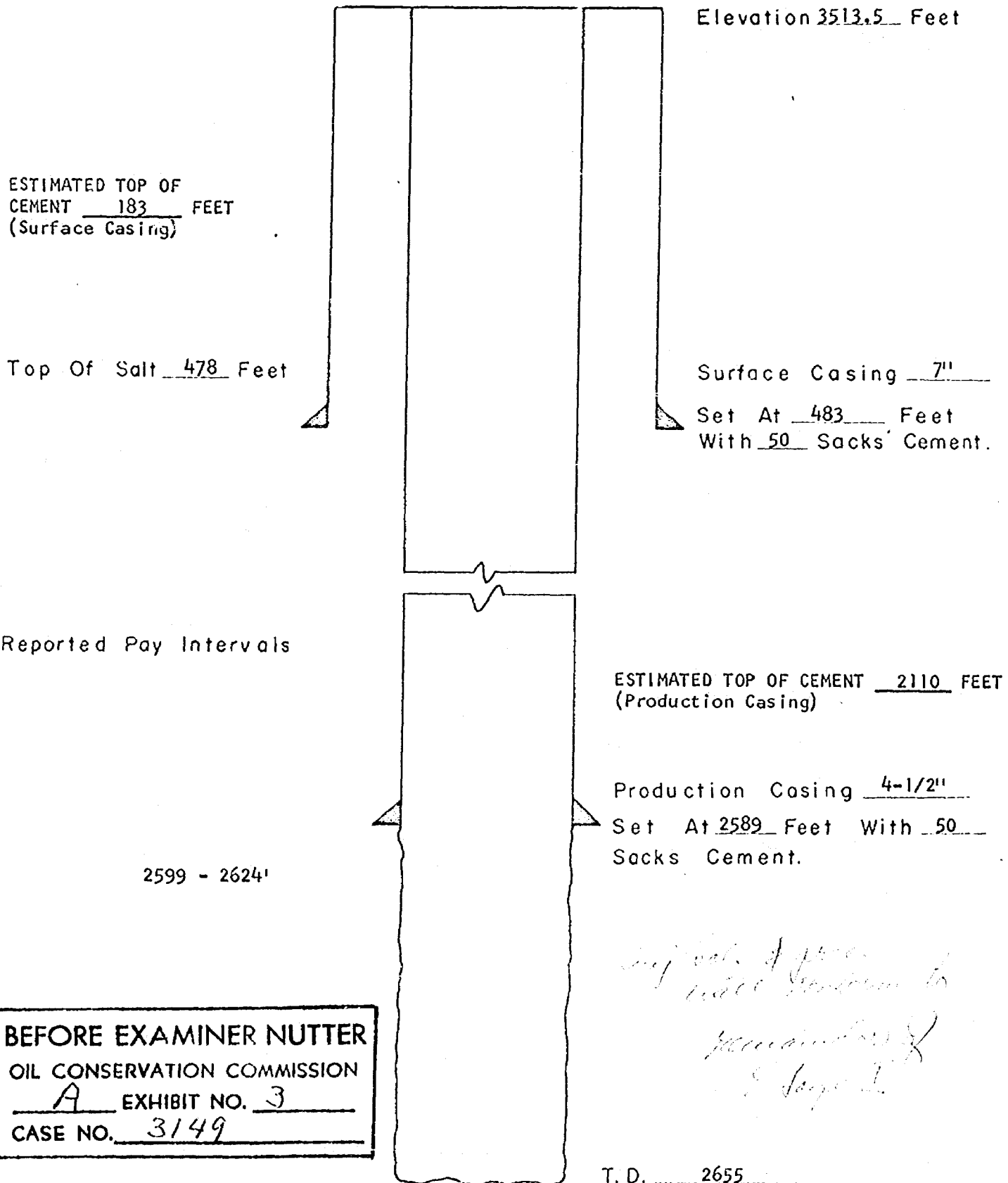
TRACT 30, WELL NOS. 1 AND 2
 WEST LOCO HILLS GRAYBURG NO. 4 SAND UNIT
 EDDY COUNTY, NEW MEXICO

Well Number	<u>30-1</u>	<u>30-2</u>
Location	SW/4 SE/4, Sec. 11 T18S R29E	SE/4 SE/4, Sec. 11 T18S R29E
Elevation	3513.5'	3519'
Completion Date	6-25-64	7-14-64
Surface Casing:		
Size	7"	7"
Depth	483'	474'
Sacks Cement Used	50	50
Estimated Top of Cement	183'	174'
Top of Salt	478'	469'
Production Casing:		
Size	4-1/2"	4-1/2"
Depth	2589'	2632'
Sacks Cement Used	50	50
Estimated Top of Cement	2110'	2152'
Reported Pay Intervals	2599 - 2624'	2647 - 2655'
Total Depth	2655'	2676'

RRP:ajg
 October 29, 1964

NEWMONT OIL COMPANY
 PROPOSED WATER INJECTION WELL
 SCHEMATIC COMPLETION DIAGRAM

Field Loco Hills County Eddy Lease West Loco Hills Ut. Well No. 30-1
 Location SW/4 SE/4, Sec. 11 T18S R29E Comp. Date 6-25-64



NEWMONT OIL COMPANY
PROPOSED WATER INJECTION WELL

SCHEMATIC COMPLETION DIAGRAM

Field Loco Hills County Eddy Lease West Loco Hills Ut. Well No. 30-2

Location SE/4 SE/4, Sec. 11 T18S R29E Comp. Date 7-14-64

