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WESTERN UNION TELEGRAM

W. P. MARSHALL, PRESIDENT

SYMBOLS

DL=Day Letter
NL=Night Letter
LT=International Letter Telegram

1201

The filing time shown in the time line on domestic telegrams is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination

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THE NEW MEXICO OIL CONSERVATION COMMISSION=

STATE LAND OFFICE BLDG SANTA FE NMEX=

PM 2 12

MAIN OFFICE OCC

HONOLULU OIL CORPORATION HEREBY MAKES APPLICATION FOR AN ORDER AUTHORIZING THE INJECTION OF WATER FOR PRESSURE MAINTENANCE PURPOSED INTO THE DEVONIAN FORMATION UNDERLYING ITS STATE B LEASE IN THE CHISUM OIL POOL LOCZTEE IN THE N1/2 SE1/4 SECTION 13 TOWNSHIP 11 SOUTH RANGE 27 EAST CHAVES COUNTY NEW MEXICO PURSUANT TO RULE 701 AND FOR THE PROMULGATION OF SPECIAL RULES GOVERNING

End 1

Case 2707

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

Worried Mailer

2-17-61

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L RWAD61

1961 FEB 9 PM 2 12

THE OPERATION OF SAID PORJECT A SUPPLEMENT TO THIS APPLICATION WILL BE FILED WITHIN THE NEXT TWO OR THREE DAYS BUT WE REQUEST THAT THE ABOVE BE ADVERTISE FOR THE EXAMINER HEARING ON MARCH 3 1961=

HERVEY DOW & HINKLE.

1961 FEB 9 PM 2 12

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

BEFORE THE OIL CONSERVATION COMMISSION

OF THE STATE OF NEW MEXICO

APPLICATION OF HONOLULU OIL CORPORATION)
FOR AN ORDER AUTHORIZING THE INJECTION)
OF WATER FOR PRESSURE MAINTENANCE)
PURPOSES INTO THE DEVONIAN FORMATION)
UNDERLYING APPLICANT'S STATE "B" LEASE)
LOCATED IN THE N $\frac{1}{2}$ SE $\frac{1}{4}$ SECTION 13, TOWNSHIP)
11 SOUTH, RANGE 27 EAST, N.M.P.M., CHAVES)
COUNTY, NEW MEXICO, IN THE CHISUM OIL POOL,)
PURSUANT TO RULE 701, AND FOR THE PROMUL-)
GATION OF SPECIAL RULES GOVERNING THE)
OPERATION OF SAID PROJECT.)

CASE NUMBER

2267

APPLICATION

Comes now Honolulu Oil Corporation, whose address is Box 1391, Midland, Texas, and hereby makes application for an Order authorizing the injection of water for pressure maintenance purposes into the Devonian Formation underlying Applicant's State "B" Lease located in the N $\frac{1}{2}$ SE $\frac{1}{4}$ Section 13, Township 11 South, Range 27 East, N.M.P.M., Chaves County, New Mexico, in the Chisum Oil Pool, pursuant to Rule 701, and for the promulgation of special rules governing the operation of said project, and in support thereof states:

1. There is attached to this Application, and marked Exhibit "1", a plat showing the location of the proposed injection well and the location of all other wells within a radius of two miles from said proposed injection well, and the formations from which said wells are producing or have produced. This plat also indicates the lessees, if any there be, within said two mile radius. There is outlined in red on Exhibit "1" the proposed project area, which is a part of the lands embraced in Applicant's State "B" lease, which project area embraces the following described lands in Chaves County, New Mexico, to-wit:

Township 11 South, Range 27 East, N.M.P.M.
Section 13: N $\frac{1}{2}$ SE $\frac{1}{4}$

containing 80 acres, more or less.

2. That a log of the proposed injection well is attached to this Application and marked Exhibit "2". That said injection well is known as Honolulu's State "B" No. 3 well and is located 1970 feet from the south line and 660 feet from the east line of said Section 13.

3. A description of the proposed injection well's casing program is:

- 13-3/8" OD from surface to 448', cemented to surface with 785 sacks of cement.
- 8-5/8" OD from surface to 2190", cemented with 200 sacks of cement - top of cement at 1335' outside 8-5/8" casing.
- 5-1/2" OD from surface to 6499', cemented with 500 sacks of cement. Top of cement outside 5-1/2" casing at 4800'.

4(a). The name and depth of the zone or formation into which injection will be made is the Devonian Formation at approximately feet.

(b). The kind of fluid to be injected is salt water which is so mineralized as to be unfit for domestic stock, irrigation and/or other general use.

(c). The anticipated amount to be injected is 300-350 barrels of salt water per day.

(d). The source of the injection fluid is the salt water produced from the Devonian Formation in Applicant's State "B" No. 1 well, the location of which is shown on said Exhibit "1".

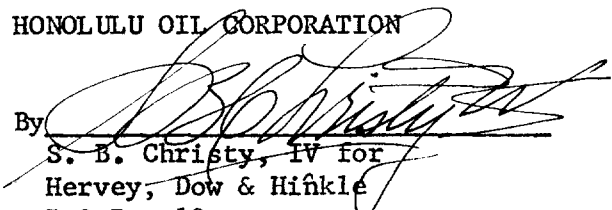
5. That Applicant is the sole owner and operator of the oil and gas lease covering all of the above project area, and Applicant states that its belief that it is in the interest of conservation and the prevention of waste to now inaugurate a water injection program for pressure maintenance purposes as above set forth, and that the granting of this Application will result not only in the prevention of waste and be in

the interest of conservation, but will also promote the greatest ultimate recovery of oil from the Devonian Formation underlying the project area, and otherwise be in the interest of the protection of correlative rights of the interested mineral owners underlying such project area. Further in this connection, Applicant recommends the adoption of special field rules governing said project area, including the following:

- (a) The conversion of the producing well listed in Paragraph 3 hereof to a water injection well.
- (b) That the allowable for the project area be the sum of the allowables of the two wells within the project area, including the injection well.
- (c) That the allowable for the injection well be transferred to the producing well.
- (d) That the allowable for the injection well be top unit allowable for the Chisum Pool.
- (e) That the top allowable for the project be the top unit allowable of the Chisum Pool multiplied by the number of wells in the project area or the capacity of the producing well to produce as determined by a 24 hour test, whichever is less.
- (f) That well tests be limited to measurement of volumes of oil and water produced and be exempt from gas-oil ratio tests; the amount of gas evolved being too small to measure with normal test equipment.
- (g) That the project operator submit each month, within a reasonable time after the normal unit allowable for Southeast New Mexico has been established, to the Commission, a Pressure Maintenance Project Operator's Report on a form prescribed by the Commission requesting the total project allowable.
- (h) That the Commission assign the project allowable which shall be the sum of the injection well allowable and the producing well allowable.

Wherefore, Applicant requests that this Application be set down for an examiner hearing, and after due notice and hearing, that this Application be granted.

HONOLULU OIL CORPORATION

By 
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