

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. 2299
Order No. R-1110-B

APPLICATION OF NEWMONT OIL
COMPANY FOR AN AMENDMENT
OF ORDERS NOS. R-1110 AND
R-1110-A, EDDY COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on June 7, 1961, at Santa Fe, New Mexico, before Daniel S. Nutter, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 22nd day of June, 1961, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Daniel S. Nutter, 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 Order No. R-1110 authorized the institution of a pilot waterflood project in the Square Lake Pool to inject water into the Lower Grayburg and the Upper San Andres formations in Sections 29, 30, and 32 of Township 16 South, Range 31 East, NMPM, Eddy County, New Mexico.
- (3) That Order No. R-1110-A authorized the use of different water injection wells from those authorized in Order No. R-1110.
- (4) That the applicant, Newmont Oil Company, seeks an amendment of Orders Nos. R-1110 and R-1110-A to permit the expansion of said waterflood project to include lands in Sections 28, 31, 32, 33, and 34, all in Township 16 South, Range 31 East, NMPM, Eddy County, New Mexico.
- (5) That the applicant proposes to include in the expansion of said waterflood project certain lands in said Sections 28, 33, and 34 owned by the Kennedy Oil Company, to be operated by the applicant under an agreement with Kennedy Oil Company.

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(6) That the applicant proposes to include in the expansion of said waterflood project certain lands in said Section 32 owned by Southern Petroleum Exploration Company, Inc., to be operated by the applicant under an agreement with Southern Petroleum Exploration Company, Inc.

(7) That the conversion to water injection of wells in the area proposed to be included in the waterflood project will constitute a legitimate expansion of a waterflood project which was authorized prior to the issuance of Order No. R-1525, and that this entire area, therefore, should be exempt from the allowable provisions of Rule 701 E.

(8) That due to its location apart from the existing flood, it is impracticable to include the E/2 SE/4 of Section 31, Township 16 South, Range 31 East in the project at this time.

IT IS THEREFORE ORDERED:

(1) That the Square Lake Waterflood Project, to be operated by the applicant, Newmont Oil Company, shall comprise the following-described acreage:

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

Section 19: S/2 SE/4
Section 28: W/2 SW/4
Section 29: S/2 N/2 and S/2
Section 30: NE/4 and E/2 SE/4
Section 32: N/2
Section 33: N/2, SE/4 and E/2 SW/4
Section 34: S/2, W/2 NW/4 and
SW/4 NE/4

(2) That all of the above-described acreage which was not included in the previously authorized Square Lake Waterflood Project is hereby designated a legitimate expansion of said project, and shall be exempt from the allowable provisions of Rule 701 E.

(3) That the provisions of Orders Nos. R-1110 and R-1110-A shall remain in full force and effect.

(4) That the waterflood project as expanded by this order shall be operated in accordance with the provisions of Rule 701 E of the Commission Rules and Regulations, except as provided in Paragraph 2 above.

(5) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

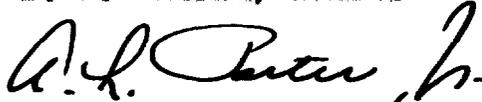
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



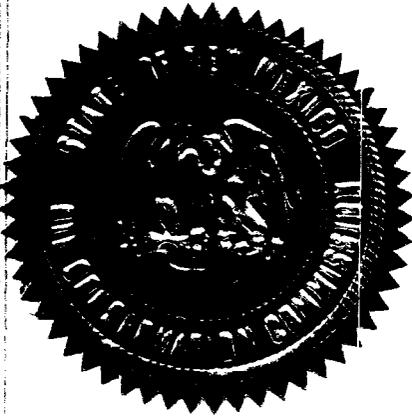
EDWIN L. MECHEM, Chairman



E. S. WALKER, Member



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



esr/