BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF NEWMONT OIL COMPANY FOR AN ORDER AMENDING ORDERS NO. R-1110, R-1110-A and R-1110-B TO PROVIDE FOR APPROVAL OF A PROJECT AREA FOR ITS SQUARE LAKE POOL WATERFLOOD PROJECT IN SECTIONS 19, 28, 29, 30, 32, 33 and 34 TOWNSHIP 16 SOUTH, RANGE 31 EAST, EDDY COUNTY, NEW MEXICO, AND PROVIDING PROCEDURES FOR EXPANSION WITHIN SAID PROJECT AREA.	)	No. 2546

APPLICATION

COMES NOW Applicant, Newmont Oil Company by its attorneys, Campbell & Russell, and states:

1. It is the operator of a pilot waterflood project in the Square Lake Pool, Eddy County, New Mexico, authorized by the Commission in its Orders No. R-1110, R-1110-A and R-1110-B dated January 15, 1958, April 3, 1958 and June 22, 1961, respectively.

2. The presently developed area of said project has established the feasibility of waterflooding the Lower Grayburg and Upper San Andres formations in said pool and has further established that such flooding will result in increased ultimate recovery of oil and will, therefore, prevent waste.

3. Applicant has an Operating Agreement with Winnie Dill Knox, individually and as Executrix and Trustee under the Last Will and Testament of T. B. Knox, deceased, as to the S½SW¼ of Section 20 and the N½NW¼ of Section 29, all in Township 16 South, Range 31 East, Eddy County, New Mexico, whereby the Applicant, as Operator, will expand the pilot area to include the above-described tracts, under proper orders of the Commission.

4. Orders R-1110 and R-1110-A were entered prior to the revisions of Rule 701 and this Application involves a legitimate expansion of a then-existing waterflood project.

WHEREFORE, Applicant requests the Commission to set this matter down for hearing before an Examiner, publish notice as required by law and, after hearing, to issue its order:

1. Defining the proper limits of the Square Lake Pool waterflood project;

2. Establishing rules for expansion of the flood within the defined area; and

3. Providing for capacity allowables for the area in a like manner as such allowables are now being permitted in the pilot area.

Respectfully submitted,

NEWMONT OIL COMPANY

By John F. Russell

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