

BEFORE THE OIL CONSERVATION COMMISSION

25

STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
NEWMONT OIL COMPANY FOR A DEVELOPMENT
PLAN FOR THE DEVELOPMENT OF THE LOCO
HILLS WATERFLOOD PROJECT UNDER THE TERMS
AND CONDITIONS OF COMMISSION ORDER NO. R-2178
BY CONVERTING WELLS TO WATER INJECTION BY
STAGES.

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No. 2578

*Record in
Case 2472 & 2473
are ~~also~~ incorporated
into the
record of
Case 2578
by reference*

APPLICATION

COMES NOW Newmont Oil Company, by its attorneys, and
states:

1. It is the operator of the Loco Hills Waterflood
Project in Eddy County, New Mexico.

2. By its Order No. R-2178 in Case No. 2473, the
Commission defined the project area, created a buffer zone,
and provided that, except for said buffer zone, the project
would be operated in accordance with the provisions of Rule
701 E of the Commission Rules and Regulations.

3. In order to operate said project area efficiently
and remain within the allowable provisions of said Order No.
R-2178, Applicant requests:

A. The entire buffer zone, as designated by Order No.
2178-A, be placed under waterflood development as soon as the
unit can be formed and put into operation.

B. On January 1, 1963, waterflood development be
expanded to cover the following acreage. This would be designated
as Stage I.

Township 18 South, Range 29 East

Section 2: $E\frac{1}{2}$
Section 11: $NE\frac{1}{4}, N\frac{1}{2}SE\frac{1}{4}$
Section 12: $S\frac{1}{2}, S\frac{1}{2}NW\frac{1}{4}$

C. Stage II, which could be developed July 1, 1963,
would include:

Township 18 South, Range 29 East

Section 2: $W\frac{1}{2}$
Section 11: $W\frac{1}{2}$
Section 13: $NE\frac{1}{4}$

Township 18 South, Range 30 East

Section 18: All of Section 18 in the unit area

D. Stage III will be developed on January 1, 1964, and
would include the following acreage:

Township 18 South, Range 29 East

Section 3: $E\frac{1}{2}$
Section 10: $E\frac{1}{2}$
Section 15: $W\frac{1}{2}NE\frac{1}{4}$

E. Stage IV can be developed on July 1, 1964, and will
include:

Township 18 South, Range 29 East

Section 3: $W\frac{1}{2}$
Section 10: $W\frac{1}{2}$
Section 15: $NW\frac{1}{4}$

F. Stage V which will complete development of the West
Loco Hills Unit will be permitted on January 1, 1965 and will
include:

Township 18 South, Range 29 East

Section 4: $E\frac{1}{2}SE\frac{1}{4}$
Section 9: $E\frac{1}{2}$

4. By this development plan the West Loco Hills Unit would
earn the following waterflood allowables for the unit area as follows:

On the date of buffer zone development, estimated to be on or about July 1, 1962, - 574 barrels per day (this will apply to the prorated portion of the unit since the buffer zone will enjoy capacity allowable). The total unit allowable outside the buffer zone will increase with development as presented below:

Stage I - January 1, 1963 - 1694 barrels per day
Stage II - July 1, 1963 - 2436 barrels per day
Stage III - January 1, 1964 - 3206 barrels per day
Stage IV - July 1, 1964 - 3794 barrels per day
Stage V - January 1, 1965 - 3920 barrels per day

Applicant attaches a copy of the West Loco Hills Unit development plan with the stages marked.

APPLICANT FURTHER REQUESTS the Commission to publish Notice of Hearing upon this application before an Examiner, or before the Commission, whichever hearing can be had at the earliest date.

DONE at Roswell, New Mexico, this 15th day of May, 1962.

Respectfully submitted,

NEWMONT OIL COMPANY

BY:


of Campbell & Russell