

ARCHIE M. SPEIR
P. O. Drawer 40
Artesia, New Mexico

May 10, 1962

Secretary & Director
Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Dear Sir:

In the name of Neil E. Salsich, 716 First National Bank Bldg., Midland, Texas, a request is made for a hearing for the purpose of considering a water flood project in Eddy County, New Mexico. The hearing may be held before the full Commission or an Examiner selected by the Commission.

It is requested that the waterflood project be authorized in order to prevent waste. It is agreed the project should be governed by the provisions of Rule 701 of the Commission Rules and Regulations, including those regarding allocation of allowables.

The project would be initiated by injecting water into the Grayburg formation through the following-described wells:

- Hollis State well No. 1 in unit I (NW/4 SW/4)
- Leonard State well No. 1 in unit F (SE/4 NW/4)
- Leonard State well No. 2 in unit N (SE/4 SW/4)
- Leonard State well No. 4 in unit J (NW/4 SE/4)
- Leonard State well No. 5 in unit D (NW/4 NW/4)

all in Section 36, Township 16 South, Range 29 East, Eddy County New Mexico.

The casing program of the proposed injection wells are as follows:

Hollis State No. 1

8 5/8" set @ 491' cemented with 75 sax
5 1/2" set @ 2665' cemented with 50 sax
perforated @ 2467-79 & 2616-38
theoretical top of cement @ 2078'

Leonard State No. 1

8 5/8" set @ 370' cemented with 75 sax
5 1/2" set @ 2710' cemented with 75 sax
perforated @ 2506-16 & 2670-88
theoretical top of cement @ 2221'

Leonard State No. 2

8 5/8" set @ 355' cemented with 50 sax
5 1/2" set @ 2695' cemented with 100 sax
perforated @ 2505-20 & 2652-72
theoretical top of cement @ 2043'

Leonard State No. 4

8 5/8" set @ 306' cemented with 50 sax
4 1/2" set @ 2710' cemented with 125 sax
perforated @ 2519-31 & 2674-94
theoretical top of cement @ 2081'

Leonard State No. 5

8 5/8" set @ 495' cemented with 50 sax
4 1/2" set @ 2670' cemented with 100 sax
perforated @ 2461-66 & 2630-46
theoretical top of cement @ 2167'

permission is requested to inject water through the casing of the above wells.

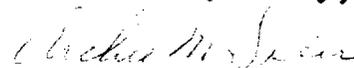
It is requested that an exception to Rule 701 par E sub-par 5 be granted for the purpose of allowing Administrative approval of the expansion of the water flood prior to any response to water injection to include the General American Oil Co. of Texas' Nunlee Federal well No. 5 in unit H Section 35, Township 16 South, Range 29 East NMPM. This well would complete the Six well pilot project as originally planned. The request for this expansion will be made when an agreement of operation with General American is consummated. The pertinent information submitted to the Commission for this approval shall contain copies of the agreement of operation.

The water to be injected in this project will be supplied by the Caprock Water Co., a commercial water supply company. One hundred (100) API barrels per day per well is the anticipated volume to be injected, at an initial pressure of one thousand (1000) pounds per square inch.

Any communication in regards to this application should be directed to the writer.

Enclosed are Electric Logs of each of the injection wells and a plat showing the project area.

Yours very truly,


Archie M. Speir

MS/ds
Encls.

cc: State Engineer of New Mexico
State Land Office of New Mexico
United State Geological Survey (2)

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

December 5, 1962

Mr. A. J. Losee
Losee & Stewart
Post Office Drawer 239
Artesia, New Mexico

Dear Sir:

Reference is made to Order No. R-2269, Case No. 2579, entered by the Commission approving Neil E. Salsich's Waterflood Project, Square Lake Pool, Eddy County, New Mexico.

According to our calculations, when all of the authorized injection wells have been placed on active injection, the maximum allowable which this project will be eligible to receive under the provisions of Rule 701-E-3 is 714 barrels per day.

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.

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

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE. NEW MEXICO

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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/ir

cc: Oil Conservation Commission
Artesia, New Mexico

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