

Case No.

1762

Application, Transcript,
Small Exhibits, Etc.

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. 1743
Order No. K-1474

APPLICATION OF NEWMONT OIL COM-
PANY FOR AN UNORTHODOX WATER
INJECTION WELL LOCATION IN THE
SQUARE LAKE POOL, EDDY COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on August 19, 1959, 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 2nd day of September, 1959, the Commission, a quorum being present, having considered the application 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 Case No. 1743 should be dismissed.

IT IS THEREFORE ORDERED:

That Case No. 1743 be and the same is hereby dismissed.

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Case No. 1743
Order No. 1474

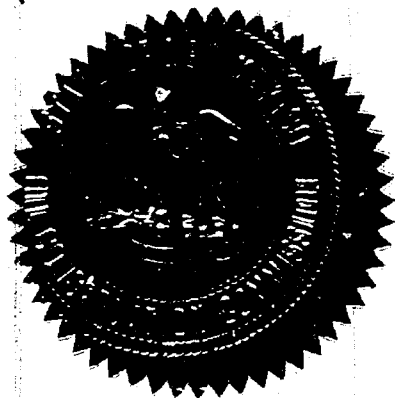
DONE at Santa Fe, New Mexico, on the day and
year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

John Burroughs
JOHN BURROUGHS, Chairman

Murray E. Morgan
MURRAY E. MORGAN, Member

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



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BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

IN THE MATTER OF:

CASE 1743

TRANSCRIPT OF HEARING

AUGUST 19, 1959

DEARNLEY - MEIER & ASSOCIATES
GENERAL LAW REPORTERS
ALBUQUERQUE NEW MEXICO
Phone CHapel 3-6691

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

IN THE MATTER OF: :
 :
CASE 1743 Application of Newmont Oil Company for an un- :
orthodox water injection well location. Ap- :
plicant, in the above-styled cause, seeks an :
order authorizing it to reopen and utilize :
for water injection a well located on an un- :
orthodox location at a point 1620 feet from :
the North line and 1020 feet from the West :
line of Section 32, Township 16 South, Range :
31 East, Square Lake Pool, Eddy County, New :
Mexico. :

BEFORE:

Daniel S. Nutter, Examiner.

T R A N S C R I P T O F P R O C E E D I N G S

MR. NUTTER: Take next Case 1743.

MR. PAYNE: Case 1743. Application of Newmont Oil
Company for an unorthodox water injection well location.

MR. NUTTER: Is anyone present from the Newmont Oil
Company? We will take that case after 1748.

MR. NUTTER: Take next Case 1743.

MR. PAYNE: In view of the fact that no representative
from Newmont is here, I recommend that this case be dismissed. If
it is redocketed, the charges will be billed against Newmont. I

also recommend, Mr. Examiner, that we make sure that injection is not taking place in this well. They originally advised us that they wanted to drill this well as soon as possible. The Secretary-Director gave them authority to drill it so long as they didn't inject water into it.

MR. NUTTER: We will dismiss Case No. 1743.

STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

I, J. A. Trujillo, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Proceedings before the New Mexico Oil Conservation Commission was reported by me in Stenotype and reduced to typewritten transcript by me, and that the same is a true and correct record to the best of my knowledge, skill and ability.

WITNESS my Hand and Seal this, the 5th day of September 1959, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

Joseph A. Trujillo

My Commission Expires:

October 5, 1960

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 1743 heard by me on 8-19, 19 59.

[Signature] Examiner
New Mexico Oil Conservation Commission

OIL CONSERVATION COMMISSION
P. O. BOX 871
SANTA FE, NEW MEXICO

October 19, 1959

Mr. Jack Campbell
Box 721
Roswell, New Mexico

Dear Mr. Campbell:

On behalf of your client, Newmont Oil Company, we
enclose two copies of Order No. R-1505 in Case No.
1762 issued by the Oil Conservation Commission on
October 19, 1959.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/ir

Enclosures: (2)

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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. 1762
Order No. R-1505

APPLICATION OF NEWMONT OIL COMPANY
FOR AN UNORTHODOX WATER INJECTION
WELL LOCATION IN SECTION 32, TOWN-
SHIP 16 SOUTH, RANGE 31 EAST, SQUARE
LAKE POOL, EDDY COUNTY, NEW MEXICO

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on September 30, 1959, 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 19th day of October, 1959, 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 by authority of Commission Order Nos. 1110 and 1110-A, Ambassador Oil Corporation was permitted to institute a pilot water flood in the Square Lake Pool, Eddy County, New Mexico

(3) That the applicant, Newmont Oil Company, is the successor in interest to Ambassador Oil Corporation in the operation of the above-described pilot water flood.

(4) That the applicant seeks an order authorizing it to reopen and utilize for water injection the State "R" Well No. 2 located at an unorthodox location 1620 feet from the North line and 1020 feet from the West line of Section 32, Township 16 South, Range 31 East, NEPA, Square Lake Pool, Eddy County, New Mexico.

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Case No. 1762
Order No. R-1505

(5) That the proposed unorthodox location for the above-described water injection well should be approved.

(6) That the applicant should not be permitted to utilize the subject well for water injection until it is established to the satisfaction of the Secretary-Director that the said well has experienced a substantial response to water injection or is directly offset by a producing well which has experienced such response.

IT IS THEREFORE ORDERED:

(1) That the applicant be and the same is hereby authorized to recomplete as a water injection well in the Square Lake Pool the State "R" Well No. 2 located on an unorthodox location at a point 1620 feet from the North line and 1020 feet from the West line of Section 32, Township 16 South, Range 31 East, NMP, Eddy County, New Mexico.

(2) That an administrative procedure be and the same is hereby established whereby the utilization of the subject well for water injection may be authorized without notice and hearing.

PROVIDED HOWEVER, That in order for the subject well to be eligible for administrative approval for conversion to water injection, it must be established to the satisfaction of the Secretary-Director of the Commission that the said injection well has experienced a substantial response to water injection or is directly offset by a producing well which has experienced such response.

PROVIDED FURTHER, That to obtain administrative approval for the conversion of said well to water injection, applicant shall submit to the Commission in triplicate a request for such administrative approval, setting forth therein all the facts pertinent to the need for conversion of the well to water injection, and attaching thereto Commission form C-116, showing production tests of the affected well both before and after stimulation by water flood. Applicant shall also attach plats of the water flood project area and immediate surrounding area, indicating thereon the owner of each lease and the location of all water injection wells and producing wells, and shall submit evidence that a copy of the application to convert said well to water injection has been sent to each operator offsetting the proposed injection well, and to the State Engineer.

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Case No. 1762
Order No. R-1805

The Secretary-Director may, if in his opinion there is a need for conversion of the subject well to water injection, authorize such conversion without notice and hearing, provided that no offset operator nor the State Engineer objects to the proposed conversion within fifteen (15) days. The Secretary-Director may grant immediate approval of the proposed conversion upon receipt of waivers of objection from all operators offsetting the subject injection well and from the State Engineer.

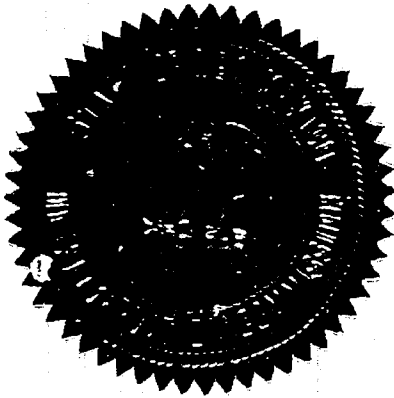
DONE at Santa Fe, New Mexico on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

John Burroughs
JOHN BURROUGHS, Chairman

Murray E. Morgan
MURRAY E. MORGAN, Member

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



1cr/

DOCKET: EXAMINER HEARING SEPTEMBER 30, 1959

Oil Conservation Commission - 9 a.m., Mabry Hall, State Capitol, Santa Fe, New Mexico

The following cases will be heard before Daniel S. Nutter, Examiner, or A. L. Porter, Jr., Secretary-Director.

CONTINUED CASE

CASE 1739: Application of Shell Oil Company for approval of a unit agreement. Applicant, in the above-styled cause, seeks an order approving its Henshaw Deep Unit Agreement comprising 4824 acres, more or less, of Federal and State lands in Township 16 South, Ranges 30 and 31 East, Eddy County, New Mexico.

NEW CASES

CASE 1760: Application of The Atlantic Refining Company for an automatic custody transfer system and for permission to produce more than 16 wells into a common tank battery. Applicant, in the above-styled cause, seeks an order authorizing it to install an automatic custody transfer system to handle the production from all Horseshoe-Gallup oil wells on its Navajo "B" Lease comprising certain acreage in Township 31 North, Range 16 West, San Juan County, New Mexico.

CASE 1761: Application of Stanton Oil Company, Ltd., for a pilot water flood project. Applicant, in the above-styled cause, seeks an order authorizing it to institute a pilot water flood project in the Turkey Track Pool in Eddy County, New Mexico, by the injection of water into the Queen formation through four wells located in Section 34, Township 18 South, Range 29 East.

CASE 1762: Application of Newmont Oil Company for an unorthodox water injection well location. Applicant, in the above-styled cause, seeks an order authorizing it to reopen and utilize for water injection a well located on an unorthodox location at a point 1620 feet from the North line and 1020 feet from the West line of Section 32, Township 16 South, Range 31 East, Square Lake Pool, Eddy County, New Mexico.

CASE 1763: Application of Southwestern Hydrocarbon Company for an order abolishing the Sawyer-San Andres and South Sawyer-San Andres Oil Pools in Lea County, New Mexico, and creating the Sawyer-San Andres Gas Pool; or in the alternative for an order extending the horizontal limits of the South Sawyer-San Andres Oil Pool to include the NE/4 of Section 6, the N/2 of Section 5 and the NW/4 of Section 4, Township 10 South, Range 38 East, Lea County, New Mexico, and removing all gas-oil ratio limitations for wells in said pool; or in the alternative for an order combining the Sawyer-San Andres and the South Sawyer-San Andres Oil Pools, as well as the intervening acreage, and removing all gas-oil ratio limitations for such pool.

CASE 1764: Application of Standard Oil Company of Texas for an unorthodox gas well location. Applicant, in the above-styled cause, seeks an order authorizing an unorthodox gas well location in the Atoka-Pennsylvania Gas Pool, at a point 1850 feet from the South line and 1650 feet from the East line of Section 14, Township 18 South, Range 26 East, Eddy County, New Mexico.

- CASE 1765: Application of The Ohio Oil Company for a salt water disposal well. Applicant, in the above-styled cause, seeks an order authorizing the disposal of produced salt water into the Lower San Andres formation through its State B-4286 "A" Well No. 2, located in Unit F, Section 2, Township 17 South, Range 36 East, Lea County, New Mexico. The proposed injection interval is from 5725 feet to 5968 feet.
- CASE 1766: Application of Northwest Production Corporation for an oil-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its "S" Well No. 16-2, located in the SW/4 SW/4 of Section 2, Township 24 North, Range 4 West, Rio Arriba County, New Mexico, in such a manner as to produce oil from an undesignated Gallup oil pool and to produce oil from an undesignated Dakota oil pool through parallel strings of tubing.
- CASE 1767: Application of El Paso Natural Gas Products Company for permission to produce more than 16 wells in a common tank battery. Applicant, in the above-styled cause, seeks an order authorizing the production of a maximum of 35 wells in the Horseshoe-Gallup Oil Pool into a common tank battery. Said wells are located on applicant's Horseshoe Ute Lease comprising portions of Sections 27, 28, 33 and 34, Township 31 North, Range 16 West, San Juan County, New Mexico.
- CASE 1768: Application of T. F. Hodge for the rededication of acreage assigned to three oil wells in the Jalmat Gas Pool. Applicant, in the above-styled cause, seeks an order rededicating the acreage assigned to three oil wells on his Mary E. Wills Lease, Section 33, Township 26 South, Range 37 East, Jalmat Gas Pool, Lea County, New Mexico. Applicant proposes to dedicate 40 acres to each of the three wells, said 40-acre units not to comprise a quarter-quarter section or legal subdivision.
- CASE 1769: Application of Pan American Petroleum Corporation for approval of a unit agreement. Applicant, in the above-styled cause, seeks an order approving its Northeast Hogback Unit Agreement, comprising 10,572 acres, more or less, in Township 30 North, Range 16 West, San Juan County, New Mexico.
- CASE 1770: Application of Pan American Petroleum Corporation for approval of a lease automatic custody transfer system. Applicant, in the above-styled cause, seeks an order authorizing the automatic custody transfer of oil produced from its Lois Wengerd Lease in Sections 23 and 24, Township 12 South, Range 37 East, Gladiola-Devonian Pool, Lea County, New Mexico.
- CASE 1771: Application of Pan American Petroleum Corporation for approval of a lease automatic custody transfer system. Applicant, in the above-styled cause, seeks an order authorizing the automatic custody transfer of oil produced from its USA Malco Refinery "F" Lease, Section 1, Township 18 South, Range 27 East, Empire-Abo Pool, Eddy County, New Mexico.
- CASE 1772: Application of Pan American Petroleum Corporation for approval of an automatic custody transfer system for four state leases in the Empire-Abo Pool, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order amending Order No. R-1292 to provide for automatic custody transfer of oil commingled thereunder.

CASE 1773:

Application of Pan American Petroleum Corporation for approval of two automatic custody transfer systems for seven federal leases in the Empire-Abo Pool, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order amending Order No. R-1399 to provide for automatic custody transfer of oil produced into the two commingled tank batteries authorized therein.

CASE 1774:

Application of Continental Oil Company for a non-standard gas unit. Applicant, in the above-styled cause, seeks the establishment of a 160-acre non-standard gas unit in an undesignated Tubb gas pool consisting of the E/2 NW/4 and the W/2 NE/4 of Section 15, Township 20 South, Range 37 East, Lea County, New Mexico, said unit to be dedicated to the applicant's Britt B-15 No. 10 Well, located in the SW/4 NE/4 of said Section 15.

CASE 1775:

Application of Continental Oil Company for a non-standard gas unit. Applicant, in the above-styled cause, seeks the establishment of a 160-acre non-standard gas unit in an undesignated Tubb gas pool consisting of the E/2 SE/4 of Section 15 and the W/2 SW/4 of Section 14, all in Township 20 South, Range 37 East, Lea County, New Mexico, said unit to be dedicated to the applicant's SEMU Well No. 70, located in the NW/4 SW/4 of said Section 15.

CASE 1776:

Application of Continental Oil Company for an exception to the overproduction shut-in provisions of Order R-520, as amended by Order R-967, for nine wells in the Jalmat Gas Pool. Applicant, in the above-styled cause, seeks an order allowing the following-described wells in the Jalmat Gas Pool to compensate for their overproduced status without being completely shut-in in order to prevent possible waste:
Ascarate D-24 Well No. 1, Unit J, Section 24, T-25-S, R-36-E, Danciger A-8 Well No. 2, Unit P, Section 8, T-23-S, R-36-E, Jack A-20 Well No. 4, Unit G, Section 20, T-24-S, R-37-E, Jack A-29 Well No. 3, Unit H, Section 29, T-24-S, R-37-E, Meyer A-29 Well No. 1, Unit O, Section 29, T-22-S, R-36-E, Meyer B-28 Well No. 1, Unit E, Section 28, T-22-S, R-36-E, State A-32 Well No. 4, Unit F, Section 32, T-22-S, R-36-E, Stevens A-34 Well No. 1, Unit E, Section 34, T-23-S, R-36-E, Wells B-1 Well No. 1, Unit A, Section 1, T-25-S, R-36-E, all in Lea County, New Mexico.

CASE 1777:

Application of El Paso Natural Gas Company for an exception to the overproduction shut-in provisions of Order R-520, as amended by Order R-967, for two wells in the Jalmat Gas Pool. Applicant, in the above-styled cause, seeks an order allowing its E. J. Wells Lease Well No. 13, Unit L, Section 5, and its Wells B-4 Lease Well No. 1, Unit D, Section 4, both in Township 25 South, Range 37 East, Jalmat Gas Pool, Lea County, New Mexico, to compensate for their overproduced status without being completely shut-in in order to prevent possible waste.

CASE 1778:

Application of Olsen Oils, Inc., for an exception to the overproduction shut-in provisions of Order R-520, as amended by Order R-967, for four wells in the Jalmat Gas Pool. Applicant, in the above-styled cause, seeks an order allowing the following-described wells in the Jalmat Gas Pool to compensate for their overproduced status without being completely shut-in in order to prevent possible waste:
Cooper B Well No. 2, NE/4 NW/4 of Section 14, T-24-S, R-36-E, Myers B Well No. 1, SE/4 NW/4 of Section 13, T-24-S, R-36-E, S. R. Cooper Well No. 1, SE/4 NE/4 of Section 23, T-24-S, R-36-E, Winningham Well No. 3, NE/4 SE/4 of Section 30, T-25-S, R-37-E, all in Lea County, New Mexico.

CASE 1779:

Application of Jal Oil Company for an exception to the overproduction shut-in provisions of Order R-520, as amended by Order R-967, for four wells in the Jalmat Gas Pool. Applicant, in the above-styled cause, seeks an order allowing the following-described wells in the Jalmat Gas Pool to compensate for their overproduced status without being completely shut-in in order to prevent possible waste:

Legal Well No. 2, NE/4 SE/4 of Section 21,
Dyer Well No. 3, SE/4 NE/4 of Section 31,
Jenkins Well No. 2, NE/4 SW/4 of Section 29,
Ropollo Well No. 1, SW/4 NW/4 of Section 28,
all in Township 25 South, Range 37 East, Lea County, New Mexico.

CASE 1780:

Application of Husky Oil Company for an exception to the overproduction shut-in provisions of Order R-520, as amended by Order R-967, for one well in the Jalmat Gas Pool. Applicant, in the above-styled cause, seeks an order allowing its Montecito Woolworth Well No. 2, Unit M, Section 33, Township 24 South, Range 37 East, Jalmat Gas Pool, Lea County, New Mexico, to compensate for its overproduced status without being completely shut-in in order to prevent possible waste.

CASE 1781:

Application of Texaco, Inc. for permission to continue producing an overproduced Jalmat gas well at a lesser rate. Applicant, in the above-styled cause, seeks an order authorizing it to produce its C. C. Fristoe (b) NCT-4 Well No. 2, Unit M, Section 31, Township 24 South, Range 37 East, Jalmat Gas Pool, Lea County, New Mexico, at a maximum rate of 2500 MCF per month for lease use until over production has been compensated for.

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

FORM C-128
Revised 5/1/57

SEE INSTRUCTIONS FOR COMPLETING THIS FORM ON THE REVERSE SIDE

SECTION A

Operator Newmont Oil Company		Lease State "R"		Well No. 2
Unit Letter E	Section 32	Township 16-S	Range 31-E	County Eddy
Actual Footage Location of Well: 1020 feet from the West line and 1620 feet from the North line				
Ground Level Elev.	Producing Formation Grayburg San Andres		Pool Square Lake	Dedicated Acreage: Acres

1. Is the Operator the only owner in the dedicated acreage outlined on the plat below? YES ☒ NO ☐ ("Owner" means the person who has the right to drill into and to produce from any pool and to appropriate the production either for himself or for himself and another. (65-3-29 (e) NMSA 1935 Comp.)
2. If the answer to question one is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? YES ☐ NO ☐ . If answer is "yes," Type of Consolidation _____
3. If the answer to question two is "no," list all the owners and their respective interests below:

Owner	Land Description

SECTION B

1620'		32	
1020'		2	
T 16 S		32	
BEFORE EXAMINER NUTTER		OIL CONSERVATION COMMISSION	
APP. EXHIBIT NO. 2		CASE NO. 1762	

CERTIFICATION

I hereby certify that the information in SECTION A above is true and complete to the best of my knowledge and belief.

James H. Nutter
Name
Newmont Oil Co.
Position
Superintendent
Company
Newmont Oil Co.
Date
July 29, 1959

I hereby certify that the well location shown on the plat in SECTION B was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
July 29th 1959
Registered Professional Engineer
and/or Land Surveyor

James H. Nutter
Certificate No.
542

0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

IN THE MATTER OF:

CASE 1762

TRANSCRIPT OF HEARING

SEPTEMBER 30, 1959

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
SEPTEMBER 30, 1959

IN THE MATTER OF:

CASE 1762 Application of Newmont Oil Company for an un-
orthodox water injection well location. Appli-
cant, in the above-styled cause, seeks an order
authorizing it to reopen and utilize for water
injection a well located on an unorthodox loca-
tion at a point 1620 feet from the North line
and 1020 feet from the West line of Section 32,
Township 16 South, Range 31 East, Square Lake
Pool, Eddy County, New Mexico.

BEFORE:

Daniel S. Nutter, Examiner.

T R A N S C R I P T O F P R O C E E D I N G S

MR. NUTTER: We will take next Case No. 1762.

MR. PAYNE: Case 1762. Application of Newmont Oil
Company for an unorthodox water injection well location.

MR. CAMPBELL: Mr. Examiner, I'm Jack M. Campbell,
Campbell & Russell, Roswell, New Mexico, appearing on behalf of
the applicant.

(Witness sworn)

HERMAN LEDBETTER,
called as a witness, having been first duly sworn, testified as
follows:

DIRECT EXAMINATION

BY MR. CAMPBELL:

Q Will you state your name, please?

A Herman Ledbetter.

Q Where do you live, Mr. Ledbetter?

A Artesia, New Mexico.

Q By whom are you employed and in what capacity?

A Newmont Oil Company, production superintendent.

Q As a part of your duties, are you supervising the operation of the Square Lake Pool flood for Newmont Oil Company?

A Yes, sir.

Q Are you acquainted with the application of Newmont in this case?

A Yes, sir.

(Thereupon, Newmont's Exhibit No. 1 was marked for identification.)

Q I refer you to what has been identified as Applicant's Exhibit No. 1, and ask you to state what that is?

A This is a map of the Square Lake, East Square Lake Field.

Q And what are you seeking in this particular application, Mr. Ledbetter?

A Permission to re-enter an old hole that is -- was an unorthodox location.

Q You are not seeking in this hearing authority to in-

ject water in this well, are you?

A No.

Q Will you point out on Exhibit 1 there where the well is located?

A It is located 1020 feet from the West line and 1620 feet from the North line of Section 32, Township 16 South, Range 31 East.

(Thereupon, Newmont's Exhibit No. 2 was marked for identification.)

Q I hand you, Mr. Ledbetter, what has been identified as Applicant's Exhibit No. 2, and ask you to state what that is, please?

A This is a plat showing the location of this well.

Q Is that certified by a professional land surveyor?

A Yes, sir.

Q That well, Mr. Ledbetter, is actually situated further in to your property than away from adjacent properties than the normal location, is it not?

A Yes, sir.

Q Have you done any work on this well, Mr. Ledbetter?

A Yes, sir.

Q Did you discuss it with the representative of the Commission before you did any work on the well?

A Yes, sir, it was discussed with Mr. Armstrong in the Artesia Conservation office.

Q And did he advise you that you could, at your risk, go ahead and do some work, but that you could not inject any water into the well until you obtained Commission approval in the usual manner?

A Yes, sir.

Q Will you state to the Examiner for this record what you have done with regard to that well?

A We have reopened the well and set surface -- 7 inch surface pipe inside the old 8 5/8 surface pipe at 244 feet, and run 4 1/2 inch casing to 3336 feet and cemented it.

Q Now, what you are seeking is the authority to -- formal authority to re-enter this unorthodox well -- unorthodox located well, is that correct?

A Yes, sir.

Q Approval of the unorthodox location?

A Yes, sir.

MR. CAMPBELL: I believe that's all the questions I have.

MR. NUTTER: Is this proposed well that is to be used on the injection well on the general overall water injection pattern.--

A Yes, sir.

Q -- even though it differentiates from it by a few feet?

A Yes, sir.

MR. PAYNE: Mr. Ledbetter, what water flood is this in, or what general area?

A The East Square Lake Field.

MR. PAYNE: East Square Lake.

MR. NUTTER: And the well has not been used as an injection well to date.

A No, sir.

MR. PAYNE: And you say you are not asking for permission at this time to use it as an injection well?

A No, sir.

MR. PAYNE: The advertisement was broad enough that you could be asking to do that?

MR. CAMPBELL: Is it?

MR. PAYNE: Yes, sir.

MR. CAMPBELL: I didn't prepare the application, and I am not acquainted with the advertisement.

MR. PAYNE: Here is what it provides, Mr. Campbell:

"Applicant, in the above-styled cause, seeks an order authorizing it to reopen and utilize for water injection a well located on an unorthodox location at a point 1620 feet from the North line and 1020 feet from the West line of Section 32, Township 16 South, Range 31 East, Square Lake Pool, Eddy County, New Mexico."

QUESTIONS BY MR. CAMPBELL:

Q Mr. Ledbetter, do you contemplate that in the relatively near future you will desire to use this well as a water injection well?

A Yes, sir.

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Q Is it in the vicinity of the presently operating flood area?

A Yes, sir.

MR. CAMPBELL: If the Commission please, I believe this may be one of those earlier orders which does not contain any administrative procedures for water injection wells.

MR. PAYNE: I think that's correct.

MR. CAMPBELL: And under those circumstances, and since the advertisement is sufficient to cover that, we would like to include that as a part of this application, to avoid an additional hearing.

CROSS EXAMINATION

BY MR. NUTTER:

Q Mr. Ledbetter, is the Newmond Oil Company's No. 1 Well, which is located in the NW/4 of the NW/4 of Section 32, has it received any response from the water flood?

A No, sir.

Q It hasn't?

A No, sir.

Q You would not place the No. 2 Well, which is the unorthodox located well, that is the subject of this hearing today, you would not place that on water injection until such time as the No. 1 Well in the NE/4 NW/4 had received a response from the water flood, would you?

A Yes, sir, in our plan we feel it would be advantag-

eous to ask to go ahead.

Q That would be in an effort to cause the No. 1 Well in Unit D to have a response from the water flood sooner, correct?

A Yes, sir.

QUESTIONS BY MR. PAYNE:

Q Would you have any objection to making the approval, injection into this well, contingent upon the No. 1 Well receiving a response?

A Yes, sir. I feel that for our best overall operations, it would be better to start injection into the No. 2 Well.

Q Now, it is not in the pilot area, is it?

A Well, not as outlined on this map, but we would like to include it.

QUESTIONS BY MR. NUTTER:

So, in effect, this would be expansion of the pilot area into an area that has not received a response?

A That's right.

MR. CAMPBELL: Mr. Examiner, these properties were acquired by Newmont Oil Company from Ambassador Oil Corporation, which obtained the authority for the original pilot flood, I would presume, and in the normal course of events Newmont Oil Company will have to come before the Commission with their overall project plan and obtain whatever Order the Commission sees fit to issue with regard to expansion and water injection wells. For that reason, I would feel that it might be appropriate at this

time to confine this particular hearing to proper authority to re-enter the unorthodox well, and to proceed in regard to expansion on water injection via another hearing, or under Statewide Rules, if such are adopted.

MR. NUTTER: Does anyone have any further questions of Mr. Ledbetter? He may be excused.

(Witness excused)

MR. NUTTER: Does anyone have anything further?

MR. CAMPBELL: I would like to offer Exhibits 1 and 2 in evidence.

MR. NUTTER: Without objection, Newmont's Exhibits 1 and 2 will be entered.

(Whereupon, Newmont's Exhibits Nos. 1 and 2 were received in evidence.)

MR. NUTTER: Does anyone have anything further they wish to offer in Case 1762? We will take that case under advisement and take a ten-minute recess.

(Short recess.)

STATE OF NEW MEXICO)
) ss
 COUNTY OF BERNALILLO)

I, J. A. Trujillo, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Proceedings before the New Mexico Oil Conservation Commission was reported by me in Stenotype and reduced to typewritten transcript by me, and that the same is a true and correct record to the best of my knowledge, skill and ability.

WITNESS my Hand and Seal this, the 12th day of October, 1959, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

Joseph A. Trujillo
 NOTARY PUBLIC

My Commission Expires:
 October 5, 1960

I do hereby certify that the foregoing is
 a complete record of the proceedings in
 the Examiner hearing of Case No. 1762
 heard by me on 9-30, 1959

[Signature], Examiner
 New Mexico Oil Conservation Commission