

CASE 1023: AGRICULTURE
OTI Corp. left project
project in Research
-ending off road.

Case No.

2023

Application, Transcript,
and 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. 2023
Order No. R-1732

APPLICATION OF HONOLULU OIL CORPORATION
FOR A PRESSURE MAINTENANCE PROJECT IN
THE HORSESHOE-GALLUP OIL POOL, SAN JUAN
COUNTY, NEW MEXICO, AND FOR THE PROMUL-
GATION OF SPECIAL RULES GOVERNING THE
OPERATION OF SAID PROJECT.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on
July 27, 1960, 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 4th day of August, 1960, 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:

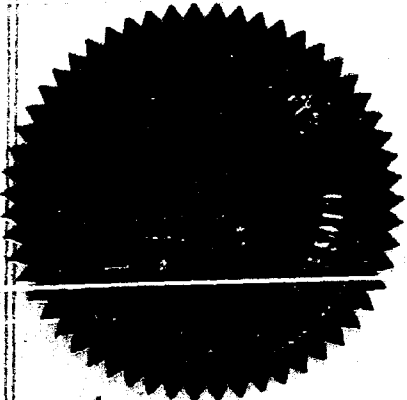
(1) That due public notice having been given as required by
law, the Commission has jurisdiction of this cause and the subject
matter thereof.

(2) That the applicant Honolulu Oil Corporation, has
requested that Case No. 2023 be dismissed.

IT IS THEREFORE ORDERED:

That Case No. 2023 be and the same is hereby dismissed.

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

esx/

GOVERNOR
JOHN BURROUGHS
CHAIRMAN

State of New Mexico
Oil Conservation Commission

LAND COMMISSIONER
MURRAY E. MORGAN
MEMBER



STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY DIRECTOR

P. O. BOX 871
SANTA FE

August 4, 1960

Mr. Howard Bratton
Hervey, Dow & Hinkle
Box 547
Roswell, New Mexico

Re: Case No. 2023
Order No. R-1732
Applicant:
Honolulu Oil Corporation

Dear Sir:

Enclosed herewith are two copies of the above-referenced
Commission order recently entered in the subject case.

Very truly yours,

A. L. PORTER, Jr.,
Secretary-Director

ir/

Carbon copy of order also sent to:

Hobbs OCC ☒

Artesia OCC ☐

Aztec OCC ☒

Other ☐

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Date July 28, 1960

CASE 2023

Hearing Date DSN, Santa Fe, 9 a.m. 7/27

My recommendations for an order in the above numbered cases are as follows:

Dismissed case per request of applicant.

Staff Member

DOCKET: EXAMINER HEARING JULY 27, 1960

Oil Conservation Commission - 9 a.m., Mabry Hall, State Capitol, Santa Fe, N.M.

The following cases will be heard before Daniel S. Nutter, Examiner, or Oliver E. Payne, Attorney, as alternate Examiner:

CASE NOS. 2023 through 2033 will not be heard before 1 p.m. on July 27, 1960.

CASE NOS. 2034 through 2040 will not be heard before 9 a.m. on July 28, 1960.

CASE 2017: Application of Continental Oil Company for an order authorizing an automatic custody transfer system to handle the Maljamar Pool production from its Miller "BX" lease comprising in pertinent part the E/2 of Section 14, Township 17 South, Range 32 East, Lea County, New Mexico.

CASE 2018: Application of Continental Oil Company for an order authorizing the triple completion of its Jicarilla Apache Well No. 27-2, located in the NW/4 NW/4 of Section 27, Township 25 North, Range 4 West, Rio Arriba County, New Mexico, in such a manner as to permit the production of oil from the Gallup formation, the production of oil from the Greenhorn formation and the production of oil from the Dakota formation through parallel strings of 4½ inch, 2 7/8 inch, and 4½ inch casing cemented in a common well bore. Applicant proposes to install tubing to the Gallup and the Dakota formations.

CASE 2019: Application of Continental Oil Company for an order authorizing the triple completion of its Northeast Haynes Apache Well No. 9-1, located in the NW/4 SW/4 of Section 9, Township 24 North, Range 5 West, Rio Arriba County, New Mexico, in such a manner as to permit the production of gas from the Mesaverde formation, the production of gas from the Gallup formation and the production of gas from the Greenhorn formation through parallel strings of 2 7/8 inch, 4½-inch, and 4½-inch casing respectively, cemented in a common well bore. Applicant also proposes to install tubing in the latter two zones.

CASE 2020: Application of Amerada Petroleum Corporation for an order authorizing the triple completion of its Wimberly Well No. 13, located in Unit M, Section 24, Township 25 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of gas from the Langlie Mattix Pool, the disposal of salt water into the Grayburg and San Andres formations in the interval from 3500 feet to 4200 feet, and the production of oil from the Justis-Blinebry Pool by means of two parallel strings of 3½-inch casing cemented in a common well bore. Applicant would dispose of the salt water through one string of casing, produce the Blinebry oil through 1½-inch tubing set in the second string of casing, and produce Langlie Mattix gas through the annulus of the 1½-inch tubing and the second casing string.

CASE 2021: Application of Shell Oil Company for authority to recomplete its State BUA Well No. 2 (formerly its Bluitt Unit Well No. 2) at an unorthodox oil well location in the Pennsylvanian formation within one mile of the Bluitt Pennsylvanian Pool. Said well is located 1980 feet from the North line and 660 feet from the West line of Section 16, Township 8 South, Range 37 East, Roosevelt County, New Mexico.

CASE 2022: Application of Sinclair Oil & Gas Company for an order authorizing the dual completion of its Turner "B" SP Well No. 67, located in Unit L, Section 20, Township 17 South, Range 31 East, Eddy County, New Mexico, in such a manner as to permit the production of oil from the Grayburg-Jackson Pool and the production of oil from an undesignated Abo pool through parallel strings of 2-inch tubing.

The following cases will not be heard before 1 p.m. on July 27, 1960:

CASE 2023: Application of Honolulu Oil Corporation for an order authorizing it to institute a pressure maintenance project in the Horseshoe-Gallup Oil Pool by the injection of water into the Gallup formation through its Navajo Well No. 4, located in the SE/4 SE/4 of Section 5, Township 31 North, Range 17 West, San Juan County, New Mexico; applicant further seeks the adoption of special rules governing the operation of said project.

CASE 2024: Application of Humble Oil & Refining Company for an order authorizing it to institute a pressure maintenance project in the Horseshoe-Gallup Oil Pool by the injection of water into the Gallup formation through 29 wells located in Sections 3, 4, 9, 10, and 11, Township 31 North, Range 17 West, San Juan County, New Mexico; Applicant further seeks the adoption of special rules governing the operation of said project.

CASE 2025: Application of Socony Mobil Oil Company for permission to convert to water injection its Navajo "A" Well No. 9, located in NE/4 NW/4 of Section 14, Township 31 North, Range 17 West, Rio Arriba County, New Mexico, in conjunction with a proposed adjacent pressure maintenance project in the Horseshoe-Gallup Oil Pool.

CASE 2026: Application of The British American Oil Producing Company for an order authorizing the "slim-hole" completion of its Fullerton Well No. 7, located 1850 feet from the South and West lines of Section 11, Township 27 North, Range 11 West, Dakota Producing Interval, San Juan County, New Mexico, utilizing 2 7/8-inch tubing as casing.

- CASE 2027: Application of Hondo Oil & Gas Company for an amendment of Order No. R-1643 to provide an alternative to the fail-safe features required in the automatic custody transfer system authorized therein for the Hondo-Western-Yates State 647 lease, Empire-Abo Pool, Eddy County, New Mexico.
- CASE 2028: Application of Pan American Petroleum Corporation for an order authorizing it to commingle the production from the Empire-Abo Pool from all wells on eight separate leases in Sections 27 and 34, Township 17 South, Range 28 East, Eddy County, New Mexico. Applicant also seeks authorization of an automatic sustody transfer system to handle said commingled production.
- CASE 2029: Application of Pan American Petroleum Corporation for an amendment of Order R-1399 to permit the commingling of Empire-Abo Pool production from Federal Lease No. LC-064050-A, E/2 SE/4 of Section 34 and NW/4 SW/4 of Section 35, Township 17 South, Range 27 East, with the Empire-Abo Pool production from those leases for which commingling was approved by paragraph one of said order and to permit the commingling of Empire-Abo Pool production from Federal Lease No. NM-025602, NW/4 and N/2 SW/4 of Section 15, Township 18 South, Range 27 East with the Empire-Abo Pool production from those leases for which commingling was approved by paragraph two of said order. Applicant also seeks an amendment of Order No. R-1399-A to permit production from the above-described leases in Eddy County, to be handled by the automatic custody transfer systems authorized in said order.
- CASE 2030: Application of Pan American Petroleum Corporation for permission to commingle the Empire-Abo Pool production from eleven separate State leases in Townships 17 and 18 South, Range 28 East, Eddy County, New Mexico. Applicant further seeks permission to install automatic custody transfer facilities to handle said commingled production.
- CASE 2031: Application of Union Oil Company of California for approval of its South Caprock Queen Unit Agreement, which unit is to embrace 9526 acres in Townships 14 and 15 South, Ranges 30 and 31 East, Caprock Queen Pool, Chaves County, New Mexico.
- CASE 2032: Application of Union Oil Company of California for an order authorizing it to institute a waterflood project in the Caprock-Queen Pool on its proposed South Caprock Queen Unit by the injection of water into the Queen formation through ten wells located in Township 15 South, Range 31 East, Chaves County, New Mexico, and for authority to drill a water injection well at an unorthodox location, being 330 feet West of the East line and 1320 feet South of the North line of Section 18, Township 15 South, Range 31 East.

CASE 2033: Application of Cabeen Exploration Corporation for permission to complete its State 1-K Well located 1980 feet from the South and West lines of Section 11, Township 10 South, Range 32 East, in an undesignated Permo-Pennsylvanian pool in Lea County, New Mexico as a "slim-hole" completion, using 2-7/8 inch casing.

The following cases will not be heard before 9 a.m. on July 28, 1960

CASE 2034: Application of Gulf Oil Corporation for an order authorizing the dual completion of its J. N. Carson Well No. 6, located 330 feet from the South line and 965 feet from the East line of Section 28, Township 21 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Penrose-Skelly Pool and the production of gas from the Blinebry Gas Pool through parallel strings of 2 3/8-inch tubing.

CASE 2035: Application of Gulf Oil Corporation for an order authorizing the dual completion of its W. T. McCormack Well No. 12, located 554 feet from the North line and 1874 feet from the East line of Section 32, Township 21 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Drinkard Pool and the production of oil from the Wantz-Abo Pool through parallel strings of 2 3/8-inch tubing.

CASE 2036: Application of Charles Loveless, Jr., for the establishment of a 280-acre non-standard gas unit in the Atoka-Pennsylvanian Gas Pool consisting of the NE/4, N/2 NW/4 and SW/4 NW/4 of Section 21, Township 18 South, Range 26 East, Eddy County, New Mexico. Applicant proposes that said unit be dedicated to the Brunner No. 1 Dayton Townsite Well to be located on an unorthodox location at a point 1650 feet from the North line and 2310 feet from the East line of said Section 21.

CASE 2037: Application of Sun Oil Company for the creation of a new oil pool for Wolfcamp production to be designated as the Jenkins-Wolfcamp pool and to consist of Sections 2, 3, 4, 8, 9, 10 and 11 of Township 9 South, Range 34 East, Lea County, and Sections 34 and 35, Township 8 South, Range 34 East, Roosevelt County, New Mexico. Applicant further seeks the promulgation of special rules and regulations for said pool including a provision for 80-acre drilling and proration units.

CASE 2038: Application of Benson-Montin-Greer Drilling Corporation for an order authorizing the dual completion of the Jones Well No. 1, located in Unit P, Section 17, Township 28 North, Range 13 West, San Juan County, New Mexico, in such a manner as to permit the production of oil from an undesignated Gallup Pool and the production of gas from the West Kutz-Dakota Pool through parallel strings of 1 1/2-inch OD tubing.

-5-
Docket No. 21-60

CASE 2039:

Application of Southwest Production Company for approval of an unorthodox oil well location in the Gallegos-Gallup Oil Pool for its Rummel Federal Well No. 1, located 790 feet from the North line and 1190 feet from the West line of Section 36, Township 27 North, Range 12 West, San Juan County, New Mexico.

CASE 2040:

Application of Neville G. Penrose, Inc., for an order authorizing the dual completion of its Grizzel Well No. 1, located in Unit G, Section 5, Township 22 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of gas from the Tubb Gas Pool and the production of oil from the Drinkard Pool through the casing-tubing annulus and 2 3/8-inch tubing respectively.

HONOLULU OIL CORPORATION
MAILING OFFICE 930 P. O. DRAWER 1391
MIDLAND, TEXAS

1960 JUL 15 AM 7:06 July 12, 1960

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

Attention: Mr. A. L. Porter, Jr.

Gentlemen:

Re: Waterflood Application
Horseshoe Gallup Pool
San Juan County, New Mexico

Enclosed herewith are triplicate copies of Exhibits Nos. 1 through 4, which are to be attached to the application by Honolulu Oil Corporation for permission to waterflood a portion of the Horseshoe Gallup Oil Pool, San Juan County, New Mexico. These are the Exhibits mentioned by Mr. S. B. Christy in his letter dated July 6, 1960, accompanying the application.

Very truly yours,

HONOLULU OIL CORPORATION

By

George R. Hoy

George R. Hoy
Division Drilling and
Proration Engineer

GRH:bm
enc.

cc: Mr. S. B. Christy
Hervey, Dow & Hinkle
P. O. Box 547
Roswell, New Mexico

*Docheck
M. L. L.
7-15-60
K*

J. M. HERVEY 1374-1953
HIRAM M. DOW
CLARENCE E. HINKLE
W. E. BONDURANT, JR.
GEORGE H. HUNTER, JR.
HOWARD C. BRATTON
S. B. CHRISTY, IV
LEWIS C. COX, JR.
PAUL W. EATON, JR.
ROBERT C. BLEDSOE

LAW OFFICES
HERVEY, DOW & HINKLE
HINKLE BUILDING
ROSWELL, NEW MEXICO

July 6, 1960

TELEPHONE MAIN 2-6510
POST OFFICE BOX 847

New Mexico Oil Conservation Commission
Box 871
Santa Fe, New Mexico

Attention: Mr. A. L. Porter, Jr.

Re: Water Flood Application
in Horseshoe-Gallup Pool
San Juan County, New Mexico

Dear Mr. Porter:

I am enclosing herewith triplicate copies of Honolulu's application for the above water flood project. I believe Mr. Hinkle today sent you Humble's water flood application on companion lands, and we would appreciate it if these two cases could be heard together since the testimony is almost identical and a consolidation hearing would result in a substantial saving of time and personnel.

Both Mr. Hinkle and I will be "out of pocket" July 27, but Howard Bratton will handle the cases for Humble and Honolulu.

Thanking you in advance, we are,

Respectfully,

HERVEY, DOW & HINKLE

By 

SBC:mke

cc: Honolulu Oil Corporation

P.S. : The exhibits will be finished and
in your office about the 1st of
next week.

SBC

*Docket
Mailed
7-15-60
[Signature]*

Case 2023

COPY

HERVEY, DOW & HINKLE, ATTORNEYS
ROSWELL, NEW MEXICO

100-2073

July 6, 1960

Mr. S. E. Reynolds
New Mexico State Engineer
P. O. Box 1079
Santa Fe, New Mexico

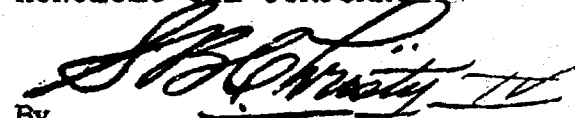
Dear Sir:

In behalf of Honolulu Oil Corporation, we are in the process of requesting an Oil Conservation Commission hearing for permission to conduct a pressure maintenance project by water injection on our Navajo lease in the Horseshoe-Gallup Field, San Juan County, New Mexico. Attached for your information is a copy of the Application and Exhibit 1. The water source is the same as that set forth in Humble Oil & Refining Company's letter of July 1, 1960, and Honolulu proposes to purchase such water from Humble; it is our understanding that Humble has previously furnished you with a water analysis, but if an additional copy thereof is desired we will be happy to furnish the same upon request. This water is Morrison formation water produced from Humble's Navajo "F" - water Well No. 1 located 990 feet from the north and west lines of Section 10, T-31-N, R-17-W, San Juan County, New Mexico. This well was drilled to a total depth of 2308 feet, 8-5/8" casing set and cemented in two stages back to 200 feet from the surface. The water will be produced from the following perforated intervals; 1936 - 1949, 1996 - 2017, 2023 - 2034, 2042 - 2054, 2066 - 2084, 2091 - 2099, 2102 - 2108, 2126 - 2146, 2160 - 2164, 2169 - 2176, 2182 - 2204 and 2242 - 2266 feet.

If any additional information is desired, please advise.

Respectfully,

HONOLULU OIL CORPORATION



By
S. B. Christy, IV for Hervey
Dow & Hinkle
Box 547
Roswell, New Mexico

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

APPLICATION OF HONOLULU OIL
CORPORATION FOR AN ORDER
AUTHORIZING THE INJECTION OF
WATER FOR PRESSURE MAINTENANCE
AND SECONDARY RECOVERY PURPOSES
INTO THE GALLUP FORMATION UNDER-
LYING APPLICANT'S NAVAJO LEASE
IN THE HORSESHOE-GALLUP OIL POOL,
SAN JUAN COUNTY, NEW MEXICO PUR-
SUANT TO RULE 701 OF THE RULES
AND REGULATIONS OF THE NEW MEXICO
OIL CONSERVATION COMMISSION AND
FOR THE PROMULGATION OF SPECIAL
RULES GOVERNING THE OPERATION OF
SAID PROJECT.

CASE NUMBER 2023

TO THE HONORABLE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO:

Comes the Honolulu Oil Corporation, with a certificate of authority to do business in the State of New Mexico, and hereby makes application to the New Mexico Oil Conservation Commission for an order authorizing the injection of water for pressure maintenance and secondary recovery purposes into the Gallup formation underlying Applicant's Navajo lease embracing lands within the Horseshoe-Gallup Oil Pool, San Juan County, New Mexico, pursuant to Rule 701 of the Commission, and for the promulgation of special rules governing the operation of said project, and in support thereof respectfully shows:

1. That there is attached hereto, made a part hereof, and for purposes of identification marked Exhibit "1", a plat showing the Navajo lease of applicant embracing lands within the Horseshoe-Gallup Oil Pool, together with the location of all wells drilled thereon and all wells drilled within a radius of two miles from the proposed injection well hereinafter referred to, which said proposed injection well located upon said lease is producing from the Gallup formation which is a member of the Mancos formation of Cretaceous

age. Said Exhibit "1" also shows the location of the proposed injection well and the ownership of the respective leasehold interests within a radius of two miles from applicant's oil and gas lease.

2. That there is outlined in red on Exhibit "1" attached hereto, the proposed project area which is a part of the lands embraced in applicant's Navajo lease, and which embrace the following described lands, to-wit:

Township 21 North, Range 17 West, N.M.P.M.

31 ?

Section 5: NW $\frac{1}{4}$, SE $\frac{1}{4}$
Section 6: NW $\frac{1}{4}$, SE $\frac{1}{4}$
Section 7: All
Section 8: All

containing 1920 acres, more or less.

3. That there is filed herewith and for purposes of identification marked Exhibit "2", an electrical log of the proposed injection well, more particularly described as follows:

Honolulu's No. 4 Well - - - SE $\frac{1}{4}$ SE $\frac{1}{4}$ Section 5.

4. With respect to a description of the proposed injection well casing program, applicant states that said proposed injection well now has thirty feet of surface pipe cemented to the surface and 4 $\frac{1}{2}$ or 5 $\frac{1}{2}$ casing cemented from top to bottom with perforations between approximately 1150 and 1160 feet.

5. Applicant proposes to inject water through the injection well above set forth into the Gallup-Sandstone producing formation underlying the project area, the water to be injected at rates ranging between 75 barrels and 350 barrels per day per well.

Applicant proposes to obtain the water for injection purposes from Humble Oil & Refining Company's water Well No. 1 located in the NW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 10, Township 31 North, Range 17 West, N.M.P.M., and which is shown on Exhibit "1" attached hereto, and which said well is capable of producing water in quantities believed to be sufficient

for the proposed pressure maintenance and secondary recovery project from the Morrison formation. That applicant has furnished the Office of the State Engineer with a description of said well, together with a water analysis report of the water which complies with Commission Memorandum No. 5-58 dated January 31, 1958.

6. That applicant is the sole owner of the oil and gas lease shown on Exhibit "1" attached hereto, and which embraces all of the proposed project area, and applicant believes that it will be in the interest of conservation and the prevention of waste to inaugurate a water injection program for pressure maintenance and secondary recovery purposes as soon as possible by the injection of water into the injection well above referred to, and that said project is in the interest of obtaining the greatest ultimate recovery of oil and gas from said formation. Applicant therefore respectfully requests that the area hereabove described be designated as the project area, and that an allowable formula be fixed therefor, and in connection therewith recommends the adoption of special field rules governing said project as follows:

(a) The conversion of the producing well listed in paragraph 3 hereof to water a injection well.

(b) That the allowable for the project area be the sum of the allowables of the several wells within the project area including those wells which may be shut in, curtailed, or used as injection wells.

(c) That allowables for injection wells be transferred to producing wells within the project area as well as allowables for producing wells which, in the interest of more efficient operation of the project, are shut in or curtailed because of high gas-oil ratio or are shut in for any of the following reasons: pressure regulation, control of pattern or sweep efficiencies, or to observe changes in pressure or changes in characteristics of reservoir liquids or progress of sweep.

(d) That the allowable assigned to any well which is shut in or which may be curtailed in accordance with the applicable special rules, and which allowable is to be transferred to any well or wells in the project area for production, shall in no event be greater than its ability to

produce during the test period prescribed by the special rules, or greater than the top unit allowable for the pool during the month of transfer, whichever is less.

(e) That the allowable assigned to any injection well on a 40-acre proration unit shall be the top unit allowable for the Horseshoe-Gallup Oil Pool.

(f) That the allowable assigned to any well which is shut in or curtailed in accordance with the special rules shall be determined by a 24-hour test at a stabilized rate of production, which shall be the final 24-hour period of a 72-hour test throughout which the well should be produced in the same manner and at a constant rate. The daily tolerance limitation set forth in Commission Rule 502 I (a) and the limiting gas-oil ratio (2,000 to 1) for the Horseshoe-Gallup Oil Pool shall be waived during such tests. The project operator shall notify all operators offsetting the well, as well as the Commission, of the exact time such tests are to be conducted. Tests may be witnessed by representatives of the offsetting operators and the Commission if so desired.

(g) That the top allowable assigned to each producing well in the project shall be equal to the well's ability to produce or to the top unit allowable of the Horseshoe-Gallup Oil Pool, whichever is less, provided that any producing well in the project area which directly or diagonally offsets a well outside the project area producing from the same common source of supply shall not produce in excess of two times top unit allowable for the pool. Each producing well shall be subject to the limiting gas-oil ratio (2,000 to 1) for the Horseshoe-Gallup Oil Pool, except that any well or wells within the project area producing with a gas-oil ratio in excess of 2,000 cubic feet of gas per barrel of oil may be produced on a "net gas-oil ratio basis", which net gas-oil ratio shall be determined in accordance with such equitable formula as may be determined by the Commission including credit for daily average net water injected through any injection well located within the project area.

(h) That the project operator submit each month, within a reasonable time after the normal unit allowable for Northwest New Mexico has been established, to the Commission, a pressure maintenance project operator's report on a form prescribed by the Commission requesting allowables for each of the several wells in the project area as well as the total project allowable.

(i) That the Commission calculate the allowable for each well in the project area, and that the sum of the allowables so calculated be assigned to the project so that the same may be produced from the wells in the project in any proportion except that no well in the project which directly or diagonally offsets a well outside the project producing from the same common source of supply shall produce in excess of two times top unit allowable for the Horseshoe-Gallup Oil Pool.

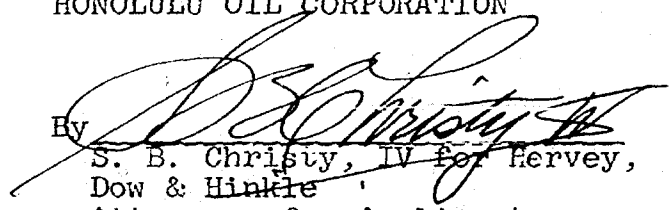
(j) That provision be made for the administrative approval by the Commission of the conversion of additional producing wells to injection wells, and the drilling of additional producing and injection wells, and the expansion of the project area under such reasonable conditions as may be prescribed by the Commission.

WHEREFORE, Applicant requests that this application be set down for hearing before an examiner after due notice as required by law and the rules and regulations of the Commission.

Respectfully submitted,

HONOLULU OIL CORPORATION

By


S. B. Christy, IV for Hervey,
Dow & Hinkle
Attorneys for Applicant
Box 547
Roswell, New Mexico

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

July 27, 1960

IN THE MATTER OF:

Application of Honolulu Oil Corporation)
for an order authorizing it to institute)
a pressure maintenance project in the)
Horseshoe-Gallup Oil Pool by the injection)
of water into the Gallup formation through)
its Navajo Well No. 4.)

Case No. 2023

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
JULY 27, 1960

EXAMINER HEARING

PHONE CH 3-6691

DEARNLEY-MEIER REPORTING SERVICE, Inc.
ALBUQUERQUE, NEW MEXICO

IN THE MATTER OF:

CASE 2023 Application of Honolulu Oil Corporation for
an order authorizing it to institute a pres-
sure maintenance project in the Horseshoe-
Gallup Oil Pool by the injection of water in-
to the Gallup formation through its Navajo
Well No. 4, located in the SE/4 SE/4 of Sec-
tion 5, Township 31 North, Range 17 West, San-
Juan County, New Mexico; applicant further
seeks the adoption of special rules governing
the operation of said project.

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: The hearing will come to order, please.
The first case this afternoon will be Case 2023.

MR. PAYNE: Case 2023. Application of Honolulu Oil
Corporation for an order authorizing it to institute a pressure
maintenance project in the Horseshoe-Gallup Oil Pool by the in-
jection of water into the Gallup formation through its Navajo
Well No. 4, located in the SE/4 SE/4 of Section 5, Township 31
North, Range 17 West, San Juan County, New Mexico; applicant fur-
ther seeks the adoption of special rules governing the operation



of said project.

MR. BRATTON: Howard Bratton, appearing on behalf of Honolulu. Applicant requests dismissal of the case without prejudice.

MR. NUTTER: Case 2023 will be dismissed without prejudice.

* * *

STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

I, ADA DEARNLEY, Court Reporter, 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 machine shorthand and reduced to typewritten transcript under my personal supervision, 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 4th day of August, 1960, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

Ada Dearnley
NOTARY PUBLIC

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 2023, heard by me on 7/27, 1960.

[Signature] Examiner
New Mexico Oil Conservation Commission

My Commission expires:

June 19, 1963

DEARNLEY-MEIER REPORTING SERVICE, Inc.

PHONE CH 3-6691

ALBUQUERQUE, NEW MEXICO

