

CASE 2561: Application of WATER-  
FLOOD ASSOCIATES for a waterflood  
project in the SQUARE LAKE POOL.

*John - see from [unclear]  
need of [unclear]*

Case No.

2581

Application, Transcript,  
and Exhibits, Etc.

**OIL CONSERVATION COMMISSION**

P. O. BOX 371

SANTA FE, NEW MEXICO

December 5, 1962

C  
O  
P  
Y

Mr. A. J. Losse  
Losse & Stewart  
P. O. Drawer 239  
Artesia, New Mexico

Dear Sir:

Reference is made to Order No. R-2271, Case No. 2581, entered by the Commission approving Water Flood Associates, Inc., Collier Parks 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 168 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. BORRER, Jr.  
Secretary-Director

ALP/ir

cc: Oil Conservation Commission  
Artesia, New Mexico

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A. J. LOSEE  
EDWARD B. STEWART

LAW OFFICES  
LOSEE AND STEWART  
CARPER BUILDING - P.O. DRAWER 239  
ARTESIA, NEW MEXICO

18 December 1962

Mr. A. L. Porter, Secretary-Director  
New Mexico Oil Conservation Commission  
Box 871  
Santa Fe, New Mexico

Re: OCC Case No. 2581, Order No. R-2271  
Collier Parke Waterflood Project,  
Eddy County, New Mexico

Dear Mr. Porter:

Please be advised that we agree with your calculation, when all of the authorized injection wells have been placed on active injection, the maximum allowable under the captioned project under the provisions of Rule 701-E-3 is 168 barrels per day.

With a copy of this letter, I am furnishing my client, Water-Flood Associates, Inc., with a photocopy of your letter of December 5, 1962, and requesting that they keep you advised of any changes in the status of the wells in the project area.

Very truly yours,



A. J. Losee

AJL/bk

cc Oil Conservation Commission  
Artesia, New Mexico

Water-Flood Associates, Inc.  
Artesia, New Mexico

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. 2581  
Order No. R-2271

APPLICATION OF WATER FLOOD ASSOCIATES,  
INC. FOR APPROVAL OF A WATERFLOOD PROJ-  
ECT, EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on June 7, 1962, 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 21st day of June, 1962, 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 the applicant, Water Flood Associates, Inc., is the operator of the NE/4 of Section 3, Township 17 South, Range 30 East, NMPN, Eddy County, New Mexico.
- (3) That the applicant seeks approval of a waterflood project in the Square Lake Pool with the injection of water to be through its Collier Parke Wells Nos. 2 and 4, located in Units B and H, respectively, of said Section 3.
- (4) That the wells in the proposed project area are in an advanced stage of depletion and should be classified as "stripper" wells.
- (5) That approval of the subject application will neither cause waste nor impair correlative rights; provided, however,

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CASE No. 2581  
Order No. R-2271

that unless agreed to by all parties, the transfer of allowables across lease lines where royalty ownership is diverse should not be authorized.

IT IS THEREFORE ORDERED:

(1) That the applicant, Water Flood Associates, Inc., is hereby authorized to institute a waterflood project in the Square Lake Pool with the injection of water through its Collier Parke Wells Nos. 2 and 4, located in Units B and E, respectively, of Section 3, Township 17 South, Range 30 East, NMPM, Eddy County, New Mexico.

(2) That the waterflood project shall be governed by Rule 701, including the allowable provisions thereof.

PROVIDED HOWEVER, That unless otherwise agreed to by all parties and evidence thereof furnished the Commission, the transfer of allowables within the project area of this waterflood shall be authorized only insofar as the transfer is made between wells having common royalty ownership.

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION



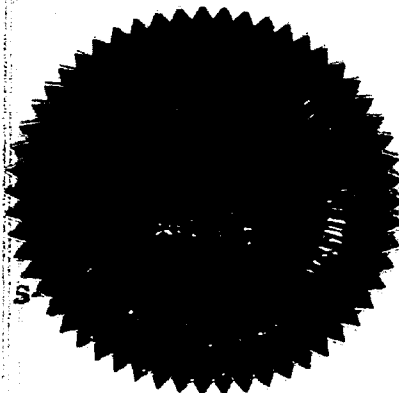
EDWIN L. MECHEM, Chairman



E. S. WALKER, Member



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



esr/

**NEWMONT OIL COMPANY**

200 CROCKER BUILDING  
ASTORIA, OREGON 97103

May 17, 1962

International Petroleum, Inc.  
200 Crocker Bldg.  
Astoria, Ore. 97103

Attention: Mr. Hall Porter

Dear Mr. Porter:

This will inform you that Newmont Oil Company supports your application to convert the following wells for injection in the Square Lake Field:

Wells No. 1 - NW 1/4 Sec. 3-27-30  
Wells No. 2 - NW 1/4 Sec. 3-27-30

These wells conform to the waterflood development pattern already established in this area.

Our support is given with the understanding that prompt action will be taken in developing this property for waterflood, including arrangements for leasehold cooperation with Newmont.

Yours very truly,

**NEWMONT OIL COMPANY**

Norman J. Indtetter  
Superintendent

af

#7



GOVERNOR  
EDWIN L. MECHEM  
CHAIRMAN

State of New Mexico  
Oil Conservation Commission



LAND COMMISSIONER  
E. S. JOHNNY WALKER  
MEMBER

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

P. O. BOX 871  
SANTA FE

June 21, 1962

Mr. A. J. Loses  
Loses & Stewart  
Carper Building  
P. O. Box 239  
Artesia, New Mexico

Re: Case No. 2581 and 2582  
Order No. B-2271 and B-2272  
Applicant:

WATERFLOOD ASSOCIATES, INC.

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.*

A. L. PORTER, Jr.  
Secretary-Director

ir/

Carbon copy of order also sent to:

Hobbs OCC x

Artesia OCC x

Aztec OCC       

OTHER                                 

Letter advising you the allowable which this project will be eligible  
NOTE: to receive will follow.

OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

Date 6/12/62

CASE 2587

Hearing Date 1am 6/7/62  
JSN @ SF

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

Enter an order authorizing  
Waneflood Associates, Inc. to institute  
a water flood project in the  
Square Lake Pool by the  
conversion to water injection  
of applicant's Collier Parke No 2  
located Unit **B**, Sec 2 T17S R30E  
and Collier Parke No 4 located  
Unit **H** of Sec 3  
Use standard waneflood order

  
Staff Member

No. 17-62

DOCKET: EXAMINER HEARING - THURSDAY - JUNE 7, 1962

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,  
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

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The following cases will be heard before Daniel S. Nutter, Examiner, or  
Elvis A. Utz, as Alternate Examiner:

CASE 2571:

Application of Randall F. Montgomery for an exception to Order R-111-A, or in the alternative for three unorthodox oil well locations, Lea County, New Mexico. Applicant, in the above-styled cause, seeks exception to the provisions of Order R-111-A, insofar as it pertains to the re-entry and casing program on five plugged and abandoned wells in the Salt Lake Pool, four of which are located in Section 7, and one of which is located in Section 18, all in Township 20 South, Range 33 East, Lea County, New Mexico. Applicant further seeks permission, as an alternative request, to drill three new wells at unorthodox locations in the Salt Lake Pool as follows:

- (1) Brooks - 7 Well No. 6, to be located 10 feet from the South line and 2310 feet from the East line;
- (2) Brooks - 7 Well No. 7, to be located 330 feet from the South line and 1320 feet from the West line;
- (3) Brooks - 7 Well No. 8, to be located 1320 feet from the South line and 1980 feet from the West line;

all in Section 7, Township 20 South, Range 33 East, Lea County, New Mexico.

CASE 2572:

Application of Tenneco Oil Company for an exception to Rule 21-a of Order No. R-1670, Basin-Dakota Gas Pool, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks permission to commingle the gas production from two wells in the Basin-Dakota Gas Pool located on the H. O. Watson Lease in Section 22, Township 27 North, Range 12 West, San Juan County, New Mexico, as an exception to the provisions of Rule 21-a of the Rules for the prorated gas pools of Northwestern New Mexico, Order No. R-1670. Applicant proposes to install one common tank battery and separating facility and to allocate monthly gas production to each well on the basis of deliverability tests and average flowing tubing pressures.

- CASE 2573: Application of Phillips Petroleum Company for approval of an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval to locate its Santa Fe Well No. 68 at an unorthodox oil well location in the Vacuum-Abo Pool, 1650 feet from the North line and 1090 feet from the East line of Section 34, Township 17 South, Range 35 East, Lea County, New Mexico.
- CASE 2574: Application of J. Gregory Merrion and Associates for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order of the Commission force pooling all interests in the Basin-Dakota Pool in the W/2 of Section 35, Township 25 North, Range 6 West, Rio Arriba County, New Mexico.
- CASE 2575: Application of Val R. Reese & Associates, Inc. for the creation of a new oil pool and for special pool rules, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new oil pool for Gallup production in Township 23 North, Range 7 West, Rio Arriba County, New Mexico, and further seeks the adoption of special rules and regulations for said pool similar to the special rules presently governing the Escrito-Gallup Oil Pool which provide for 320-acre gas proration units and 80-acre oil proration units (Order No. R-1793-A).
- CASE 2576: Application of Sinclair Oil & Gas Company for approval of a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of a waterflood project in the Grayburg-Jackson Pool, Eddy County, New Mexico, with the injection of water to be through seven wells located on the H. E. West "A" and "B" leases in Sections 3 and 4, Township 17 South, Range 31 East; applicant proposes to operate the waterflood project under the provisions of Rule 701.
- CASE 2577: Application of Newmont Oil Company for approval to drill a water injection well, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks permission to drill the State "A" Well No. 3, to be located 1295 feet from the South line and 2615 feet from the East line of Section 36, Township 17 South, Range 29 East, Eddy County, New Mexico, for use as a water injection well in the Loco Hills Pool Waterflood Project.
- CASE 2578: Application of Newmont Oil Company for approval of a development plan for the Loco Hills Waterflood Project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of a plan of development for the Loco Hills Waterflood Project, Eddy County, New Mexico, which would permit

CASE 2578: (Continued)

the conversion of wells to water injection by stages. The applicant proposes to operate said waterflood project under the terms and conditions of Order No. R-2178 which established a buffer zone in a portion of the project area.

CASE 2579:

Application of Neil E. Salsich for approval of a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of a waterflood project in the Square Lake Pool with the injection of water into the Grayburg formation of the Square Lake Pool through five wells located in Section 36, Township 16 South, Range 29 East, Eddy County, New Mexico. Applicant requests that the waterflood be governed by Rule 701 except that administrative approval is sought to allow expansion of the waterflood by the conversion of one additional well in Unit H of Section 35 prior to response from water injection.

CASE 2580:

Application of Waterflood Associates, Inc., for approval of a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of a waterflood project in the Robinson Pool with the injection of water to be through six wells located in Section 35, Township 16 South, Range 31 East, Eddy County, New Mexico; applicant requests that the waterflood project be governed by Rule 701.

CASE 2581:

Application of Waterflood Associates, Inc. for approval of a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of a waterflood project in the Square Lake Pool by the injection of water to be through two wells located in the NE/4 of Section 3, Township 17 South, Range 30 East, Eddy County, New Mexico; applicant requests that the waterflood project be governed by Rule 701.

CASE 2582:

Applicant of Waterflood Associates, Inc., for approval of a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of a waterflood project in the Artesia Pool by the injection of water to be through one well located in the W/2 NW/4 of Section 21, Township 18 South, Range 28 East, Eddy County, New Mexico; applicant requests that the waterflood project be governed by Rule 701.

WATER FLOOD ASSOCIATES, INC.

301 BOOKER BLDG.  
ARTESIA, NEW MEXICO

P. O. BOX 376

MAIN OFFICE OCC

MAY 21, 1962

PHONE SH 6-6032

1962 MAY 23 AM 3:18

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

ATTENTION: MR. DAN NUTTER

GENTLEMEN:

PLEASE ACCEPT THIS LETTER AS THE APPLICATION OF WATER-FLOOD ASSOCIATES, INC., FOR A PERMIT FOR A WATERFLOOD PROJECT IN NE 1/4 SECTION 3, T-17S, R-30E, SQUARE LAKE POOL, EDDY COUNTY, NEW MEXICO. APPLICATION IS MADE FOR TWO INPUT WELLS AS SHOWN ON THE ATTACHED PLAT. THIS PATTERN IS A NATURAL EXTENSION OF THE FIVE-SPOT PATTERN ALREADY ESTABLISHED IN THE AREA BY NEWMONT OIL COMPANY'S PRESENT PROJECT IN SECTION 34, T-16S, R-30E.

SINCE THE NEWMONT PROJECT IS A CAPACITY-ALLOWABLE TYPE FLOOD, APPLICATION IS ALSO MADE FOR A BUFFER ZONE TO INCLUDE THE SUBJECT LEASE.


INJECTION WILL BE MADE INTO THE GRAYBURG-SAN ANDRES FORMATION.

THE WELLS ARE PRODUCING AT A RATE OF LESS THAN ONE BARREL PER WELL PER DAY AND ARE IN THE CLASSIFICATION NORMALLY REFERRED TO AS "STRIPPER" WELLS.

PLEASE SCHEDULE THIS MATTER FOR HEARING AT THE JUNE 7 EXAMINER'S HEARING, IF POSSIBLE.

VERY TRULY YOURS,

WATER-FLOOD ASSOCIATES, INC.

  
H. C. PORTER  
ENGINEER

HCP:EL

CC: STATE ENGINEER

RNC-30E



legend

- LOCATION
- OIL WELL
- ✦ ABAND OIL WELL
- ✦ DRY HOLE
- ☼ GAS WELL
- ☼ INJECTION WELL

### PROPOSED INJECTION PATTERN

Water-Flood Associates Inc  
SQUARE LAKE PROJECT N#39  
Eddy County, New Mexico

W. J. S. 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100 101 102 103 104 105 106 107 108 109 110 111 112 113 114 115 116 117 118 119 120 121 122 123 124 125 126 127 128 129 130 131 132 133 134 135 136 137 138 139 140 141 142 143 144 145 146 147 148 149 150 151 152 153 154 155 156 157 158 159 160 161 162 163 164 165 166 167 168 169 170 171 172 173 174 175 176 177 178 179 180 181 182 183 184 185 186 187 188 189 190 191 192 193 194 195 196 197 198 199 200 201 202 203 204 205 206 207 208 209 210 211 212 213 214 215 216 217 218 219 220 221 222 223 224 225 226 227 228 229 230 231 232 233 234 235 236 237 238 239 240 241 242 243 244 245 246 247 248 249 250 251 252 253 254 255 256 257 258 259 260 261 262 263 264 265 266 267 268 269 270 271 272 273 274 275 276 277 278 279 280 281 282 283 284 285 286 287 288 289 290 291 292 293 294 295 296 297 298 299 300 301 302 303 304 305 306 307 308 309 310 311 312 313 314 315 316 317 318 319 320 321 322 323 324 325 326 327 328 329 330 331 332 333 334 335 336 337 338 339 340 341 342 343 344 345 346 347 348 349 350 351 352 353 354 355 356 357 358 359 360 361 362 363 364 365 366 367 368 369 370 371 372 373 374 375 376 377 378 379 380 381 382 383 384 385 386 387 388 389 390 391 392 393 394 395 396 397 398 399 400 401 402 403 404 405 406 407 408 409 410 411 412 413 414 415 416 417 418 419 420 421 422 423 424 425 426 427 428 429 430 431 432 433 434 435 436 437 438 439 440 441 442 443 444 445 446 447 448 449 450 451 452 453 454 455 456 457 458 459 460 461 462 463 464 465 466 467 468 469 470 471 472 473 474 475 476 477 478 479 480 481 482 483 484 485 486 487 488 489 490 491 492 493 494 495 496 497 498 499 500 501 502 503 504 505 506 507 508 509 510 511 512 513 514 515 516 517 518 519 520 521 522 523 524 525 526 527 528 529 530 531 532 533 534 535 536 537 538 539 540 541 542 543 544 545 546 547 548 549 550 551 552 553 554 555 556 557 558 559 560 561 562 563 564 565 566 567 568 569 570 571 572 573 574 575 576 577 578 579 580 581 582 583 584 585 586 587 588 589 590 591 592 593 594 595 596 597 598 599 600 601 602 603 604 605 606 607 608 609 610 611 612 613 614 615 616 617 618 619 620 621 622 623 624 625 626 627 628 629 630 631 632 633 634 635 636 637 638 639 640 641 642 643 644 645 646 647 648 649 650 651 652 653 654 655 656 657 658 659 660 661 662 663 664 665 666 667 668 669 670 671 672 673 674 675 676 677 678 679 680 681 682 683 684 685 686 687 688 689 690 691 692 693 694 695 696 697 698 699 700 701 702 703 704 705 706 707 708 709 710 711 712 713 714 715 716 717 718 719 720 721 722 723 724 725 726 727 728 729 730 731 732 733 734 735 736 737 738 739 740 741 742 743 744 745 746 747 748 749 750 751 752 753 754 755 756 757 758 759 760 761 762 763 764 765 766 767 768 769 770 771 772 773 774 775 776 777 778 779 780 781 782 783 784 785 786 787 788 789 790 791 792 793 794 795 796 797 798 799 800 801 802 803 804 805 806 807 808 809 810 811 812 813 814 815 816 817 818 819 820 821 822 823 824 825 826 827 828 829 830 831 832 833 834 835 836 837 838 839 840 841 842 843 844 845 846 847 848 849 850 851 852 853 854 855 856 857 858 859 860 861 862 863 864 865 866 867 868 869 870 871 872 873 874 875 876 877 878 879 880 881 882 883 884 885 886 887 888 889 890 891 892 893 894 895 896 897 898 899 900 901 902 903 904 905 906 907 908 909 910 911 912 913 914 915 916 917 918 919 920 921 922 923 924 925 926 927 928 929 930 931 932 933 934 935 936 937 938 939 940 941 942 943 944 945 946 947 948 949 950 951 952 953 954 955 956 957 958 959 960 961 962 963 964 965 966 967 968 969 970 971 972 973 974 975 976 977 978 979 980 981 982 983 984 985 986 987 988 989 990 991 992 993 994 995 996 997 998 999 1000 1001 1002 1003 1004 1005 1006 1007 1008 1009 1010 1011 1012 1013 1014 1015 1016 1017 1018 1019 1020 1021 1022 1023 1024 1025 1026 1027 1028 1029 1030 1031 1032 1033 1034 1035 1036 1037 1038 1039 1040



BEFORE THE  
OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico

June 7, 1962

EXAMINER HEARING

IN THE MATTER OF:

Application of Waterflood Associates, Inc. for approval of a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of a waterflood project in the Square Lake Pool by the injection of water to be through two wells located in the NE/4 of Section 3, Township 17 South, Range 30 East, Eddy County, New Mexico; applicant requests that the waterflood project be governed by Rule 701.

CASE NO.  
2581

BEFORE: Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

MR. NUTTER: We will call Case No. 2581.

MR. MORRIS: Application of Waterflood Associates, Inc. for approval of a waterflood project, Eddy County, New Mexico.

MR. LOSEE: A. J. Losee, Losee and Stewart, Artesia, New Mexico, appearing for the applicant. I have one witness, Mr. Porter.

MR. MORRIS: Let the record show Mr. Porter was sworn in Case 2580.

DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.  
PHONE 325-1182

ALBUQUERQUE, N. M.  
PHONE 243-6691





HAROLD PORTER,

called as a witness, having been previously duly sworn on oath,  
was examined and testified as follows:

(Whereupon Applicant's Exhibits 1 through 7 marked for identification)

DIRECT EXAMINATION

BY MR. LOSEE:

Q State your name, residence, and occupation.

A My name is Harold Porter; I reside in Artesia, New Mexico. I'm a petroleum engineer.

Q Have you previously testified before this Commission?

A Yes, sir.

Q Please refer to Exhibit No. 1 and explain what that portrays.

A Exhibit No. 1 is a plat showing the area of the application, the completions marked Tenneco are now Newmont Oil Company. The plat also shows the established waterflood pattern in Section 34 in red. This is the pilot waterflood presently being operated by Newmont Oil Company. The areas marked black show the Newmont's plans for immediate expansion. As a matter of fact, they are ready to expand right now. The area outlined in yellow is Waterflood Associates W.F.A. Parke lease. The lines in green show the further possible expansion of this program to include our Parke lease and the offsetting leases.

Q Has Newmont's flood, the area marked in red, has that

DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.  
PHONE 325-1182

ALBUQUERQUE, N. M.  
PHONE 243-6691



DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.  
PHONE 325-1182

ALBUQUERQUE, N. M.  
PHONE 243-6691

shown response to their pilot operation?

A Yes, sir, it has shown some response; however, they have been limited in the availability of water until the present time. It has not performed as well as their other flood in that same section; however, they feel, and so do we, that with additional water injection, that it will be a very satisfactory flood.

Q Do you know if they have applied for approval to expand into this area in black?

A Yes, sir, that area in black is already authorized by the Commission.

Q Please refer to Exhibit 2 and explain what that portrays.

A We do not have available any electric logs in this immediate area; however, I have a cross section which is drawn on north-south directions, as shown in the little location map down in the lower righthand corner of this Exhibit 2, and it shows the various zones that were open. It shows that the productive zones are zones 5 and 6 of the Grayburg formation. However, most of these wells have subsequently been deepened to include the Lovington Sand. They were deepened after this was drawn and it's not shown on here, but they are now deepened into the Lovington Sand.

Q Do these zones 5 and 6 pretty well correlate across all of these existing wells?

A Yes, sir, as you can see on the cross section, zones 5 and 6 are fairly continuous across the north-south breadth of this



map, which the little location map shows the injection wells of Newmont to the north of our lease.

Q Now, you propose to convert to injection your wells 2 and 4?

A Yes, sir.

Q Well 2 is portrayed on this cross section, is it not?

A Yes, sir, it is. It's shown as the W. F. Dodson Parke No. 2.

Q These are zones of the Grayburg formation, these zones 5 and 6?

A Yes, sir, they are.

Q And then the Lovington Sand, which you state is now open to production, is it producing in this area, the Lovington Sand?

A Yes, sir, it is. All these wells on our lease have been, I believe, with the possible exception of one. I'll discuss that further when we get to that exhibit, but I know that three of our wells have been deepened to the Lovington Sand.

Q And they are productive?

A It is productive.

Q Please refer to Exhibit 3A and explain what that portrays.

A Exhibit 3A is a tabulation of the oil production from this lease from 1946 up through March of '62. The production has declined to where the lease is making less than 100 barrels per month, which is on the order of one barrel per day per well. That would indicate that these wells are in the advanced stage of

DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.  
PHONE 325-1182

ALBUQUERQUE, N. M.  
PHONE 243-6691



depletion and are commonly classed as stripper wells.

Q Based on your cumulative figure of 117,619 barrels for these four wells, that would mean that each well had produced approximately 29,000 barrels of primary oil?

A Yes, sir, that's pretty close.

Q Refer to Exhibit 3B and explain what it portrays.

A Exhibit 3B is merely a graphical presentation of the data on 3A. It shows the production decline and the cumulative oil curve; the drastic drop in this production started in January, '62, due to mechanical failures in one of our wells, and it hasn't been remedied due to the fact we propose to start water flooding this lease and we will remedy at that time. But nevertheless, it is on a fairly low production rate.

Q Please refer to Exhibit 4 and explain what it portrays.

A Exhibit 4 shows the well data for each well on the lease and is self-explanatory, I believe. All of our wells, as I was discussing before, have been deepened with the exception of Well No. 4, and Well No. 4 will be deepened to include the Lovington Sand. The wells applied for for injection are Wells No. 2 and 4, and these wells each have 8 5/8th casing set at 500 and 495 feet respectively and each cemented with 50 sacks. This is deep enough to be cemented into the salt section, and 5 1/2-inch production casing in each instance is set at 2840 feet and 2850 feet respectively and cemented with a hundred sacks. This gives a calculated cement top on the production string of roughly 1450 feet.

DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.  
PHONE 325-1182

ALBUQUERQUE, N. M.  
PHONE 243-6691



Therefore, we have two strings of casing and two cement jobs, which would give ample and satisfactory protection for any surface water in the area which might possibly be in the area.

Q The lower part of this exhibit reflects the treatment given to the well?

A Yes, sir, that's correct. It shows the stimulations and the initial potential in barrels per day, present productive date in barrels per day. As you can see, it's on the order of one barrel per well per day. Well No. 3 is plugged and abandoned and will have to be redrilled as a producer. The proposed casing program for that well will be the same as these others.

Q What is the source of your water?

A We have made arrangements to purchase pressured water from Newmont Oil Company's plant to the north.

Q Will that supply be adequate for your project?

A Yes, sir, they have an adequate and satisfactory water source. They are getting their water from the Yucca Water Pipeline Company.

Q By what method do you propose to inject the water into these two wells?

A We propose to inject water down the casing.

Q Will your system be closed?

A Yes, sir, our injection system will be closed, as nearly all of them are in this part of the country.

Q What will your initial injection rates be?

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FARMINGTON, N. M.  
PHONE 325-1192

ALBUQUERQUE, N. M.  
PHONE 242-6691



A It's estimated that we'll start out at about 500 barrels a day and our maximum pressures injecting at the rate that we think it will be necessary, will be around 1500 psi.

Q Do you feel like your program of injecting down the casing will protect any water that might be present in the area?

A Yes, sir, we have a casing program which should satisfactorily protect any shallow water which might be in the area. Even if we had a leak in our long string above the top of the cement, we would still have the 8 5/8ths casing, which is cemented to protect the shallow water.

Q Have you notified the State Engineer's Office of your application?

A Yes, sir, and as Exhibit 5, we have a letter to the State Engineer's Office giving him the particulars in this case.

Q Have you discussed this application with him?

A Yes, sir, I have.

Q Have you notified the United States Geological Survey, the royalty owner under your lease, of the application?

A Yes, sir, I have a letter dated June 4 to the USGS, USGS at Artesia, which explains this application and this hearing, and I have discussed this with him and he has indicated that the royalty owner will not object to this injection.

Q Have you received any correspondence from any operator conducting flood in this area?

A Yes, sir, our offset operator to the north, Newmont Oil

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FARMINGTON, N. M.  
PHONE 325-1182

ALBUQUERQUE, N. M.  
PHONE 243-6611



## DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.  
PHONE 325-1782ALBUQUERQUE, N. M.  
PHONE 243-691

Company, has sent a letter which says that they support our application as it is presented with our Parke 2 and 4 as injection wells. I have also contacted our other offset operators and we are in the process of discussing with them the conversion of their wells on the same pattern to go ahead and balance out across lease lines, and fulfill the full pattern here that needs to be.

Q In your opinion, would this project waterflood that you request promote conservation of natural resources and prevent their waste?

A Yes, sir, there's no question about it; we do have secondary reserves here which will be recoverable by this method which otherwise would be wasted and would not be recoverable by primary means.

Q What ratio of secondary to primary oil do you anticipate recovering in this project?

A It's very difficult to say; however, based on the other waterflood in this same area, the same zones, which Newmont is conducting east of here, I would say we'll get between one and one-and-a-quarter times our primary recovery.

Q Did you prepare Exhibits 1 through 4 or were they prepared under your direction?

A Yes, sir.

Q Exhibits 5, 6 and 7 are copies of letters you have mailed or letters that you have received?

A Yes, sir.



MR. LOSEE: The Applicant moves the introduction of Exhibits 1 through 7.

MR. NUTTER: Applicant's 1 through 7 will be entered in the record.

(Whereupon Applicant's Exhibits 1 through 7 entered in evidence.)

MR. LOSEE: I have no further questions at this time.

MR. NUTTER: Are there any questions of the witness?

CROSS EXAMINATION

BY MR. NUTTER:

Q Mr. Porter, is this the flood which was -- the flood to the north of your proposed flood here, the one which was authorized back in 1959 for Texas Consolidated Oils and then subsequently taken over by Newmont?

A Yes, sir, I believe that's correct. This flood was originally authorized by Texas Consolidated and then sold to J. Cleo Thompson and Newmont purchased this from these people.

Q What has been the measure of success that they have encountered up here in this four-section or four-well pilot?

A Well, sir, I do not have the exact figures; however, I did talk to Newmont's engineer just day before yesterday, and he told me that they had experienced a pretty good response. However, he said that their big trouble was the fact that they were limited in their water injection and he felt like as soon as they could increase injection and get these other wells on that they have

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ALBUQUERQUE, N. M.  
PHONE 243 6691





permitted and which they are presently working on to convert them, that he felt like their response would be real good.

Q What was the problem on water injection, was it insufficient water or tight formation or --

Q Yes, sir, it was -- it was insufficient water and also very, very poor injection equipment. They are building a new plant and of course they are tying on to the Yucca water system. I believe that previously when Texas Consolidated was operating this pilot flood that they had shallow water well up to the north which would only make about 500 barrels a day, and of course they were not putting in nearly enough water to do very much good.

Q Now, you say that the one well that has never been deepened will be deepened and that the one that was plugged and abandoned will be re-entered?

A Either re-entered or else a replacement well drilled.

Q On the same 40?

A Very close to it, yes, sir.

Q And injection would be down the casing in each instance?

A Yes, sir. These other wells to the north are being injected down the casing satisfactorily and we feel that ours will be doo.

Q This will be fresh water in a closed system?

A Yes, sir, we'll be using the Yucca which comes off the Caprock.

Q Any further questions of Mr. Porter?

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PHONE 325-1182

ALBUQUERQUE, N. M.  
PHONE 243-6601



You may be excused.

(Witness excused.)

MR. NUTTER: Do you have anything further, Mr. Losee?

MR. LOSEE: Nothing further.

MR. NUTTER: Did you have any questions?

MR. IRBY: No questions, a statement.

In view of the testimony and the Exhibit 5, the State Engineer offers no objection to the granting of this application.

MR. NUTTER: Anything further in this case? We'll take the case under advisement and call Case 2582.

DEARNLEY-MEIER REPORTING SERVICE, Inc.

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PHONE 325-1182

ALBUQUERQUE, N. M.  
PHONE: 243-6691



STATE OF NEW MEXICO )  
COUNTY OF BERNALILLO ) ss.

I, MARIANNA MEIER, NOTARY PUBLIC in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached transcript of proceedings was reported by me in stenotype and that the same was reduced to typewritten transcript under my personal supervision and contains a true and correct record of said proceedings, to the best of my knowledge, skill and ability.

*Marianna Meier*  
MARIANNA MEIER

My Commission Expires:

DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.  
PHONE 325-1182

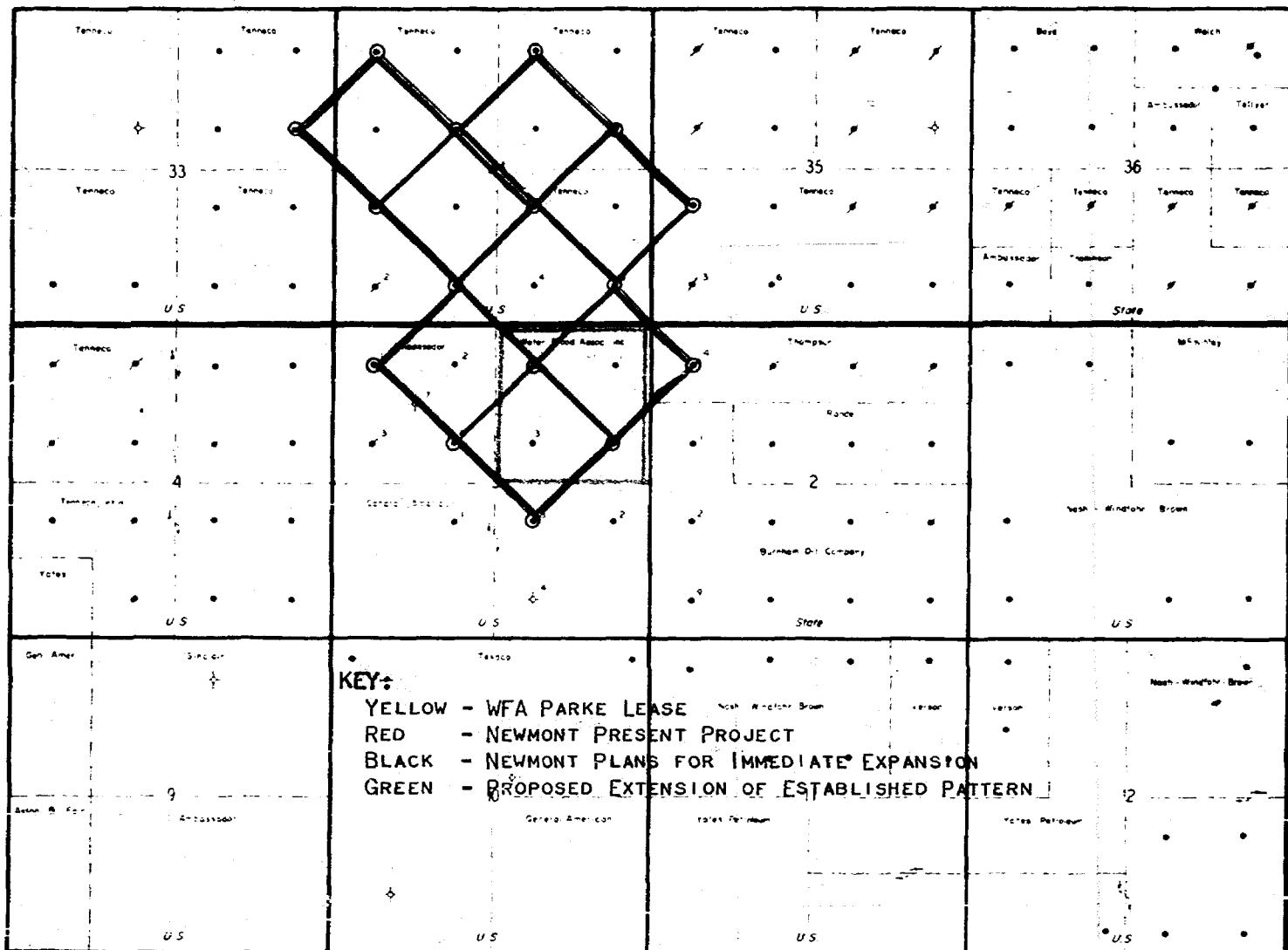
ALBUQUERQUE, N. M.  
PHONE 243-6691

I do hereby certify that the foregoing is a complete record of the proceedings in the Examination of Case No. 2581, heard by me on June 7, 19 62.

*Asst. Examiner*  
Examiner  
New Mexico Oil Conservation Commission



RNG-30E



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**KEY:**  
 YELLOW - WFA PARKE LEASE  
 RED - NEWMONT PRESENT PROJECT  
 BLACK - NEWMONT PLANS FOR IMMEDIATE EXPANSION  
 GREEN - PROPOSED EXTENSION OF ESTABLISHED PATTERN

NOTE: TENNECO NOW NEWMONT

PROPOSED INJECTION PATTERN

**Legend**  
 ○ LOCATION  
 ● OIL WELL  
 \* ABANDONED WELL  
 ✦ DRY WELL  
 ✧ GAS WELL  
 ⊙ INJECTION WELL

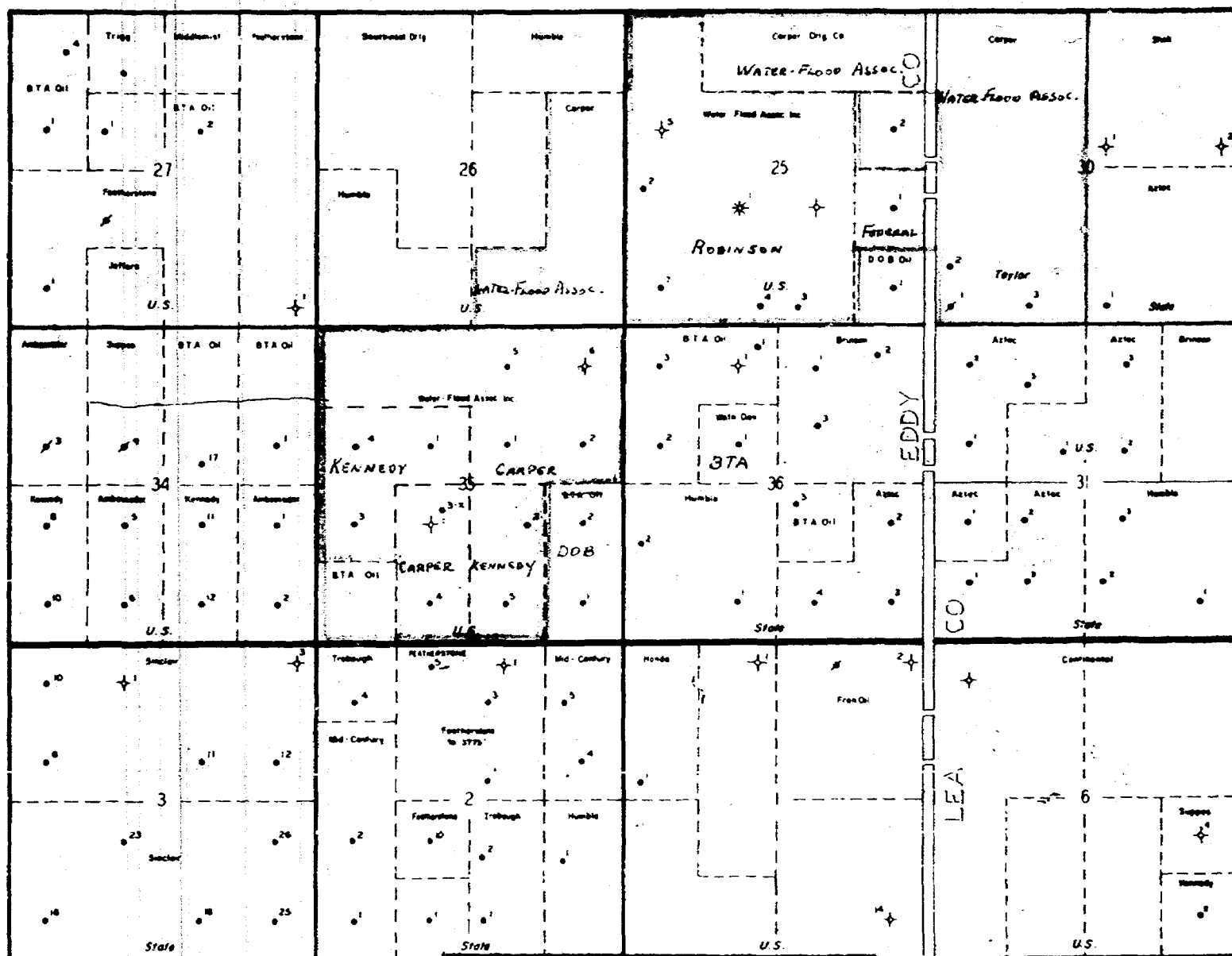
CASE 2581 EXHIBIT NO. 1

Water-Flood Associates, Inc.  
 SQUARE LAKE PROJECT #39  
 Eddy County, New Mexico

Scale 1" = 4 Miles

**BEFORE EXAMINER NOTER**  
**OIL CONSERVATION COMMISSION**  
 CASE NO. \_\_\_\_\_  
 EXHIBIT NO. \_\_\_\_\_

RNG. 31 E RNG. 32 E



T 16 S  
T 17 S

BEFORE EXAMINER NUTTER  
OIL CONSERVATION COMMISSION  
EXHIBIT NO. 1  
CASE NO. \_\_\_\_\_

AREA PLAT  
Water-Flood Associates Inc.  
CARPER-KENNEDY PROJECT  
Eddy & Lee Co's, New Mexico

1 INCH  
EXHIBIT #1

**BEFORE EXAMINER NUTTER**

OIL CONSERVATION COMMISSION

EXHIBIT NO. 3-A

CASE NO. \_\_\_\_\_

**WATER FLOOD ASSOCIATES, INC.**

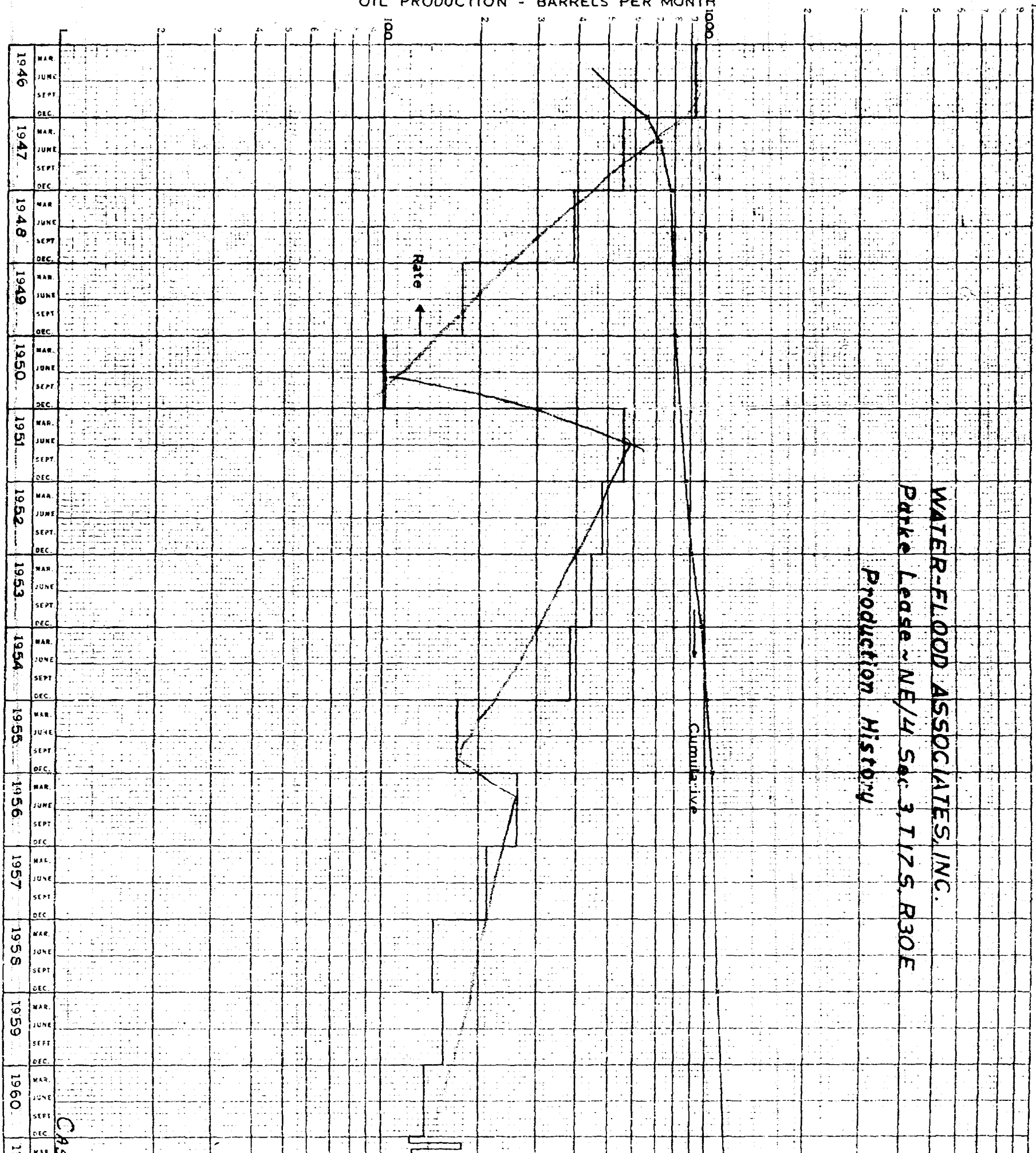
**OIL PRODUCTION HISTORY**

Sec. 25, T-16S, R-31E - CARPER FEDERAL No. 1  
 Sec. 25, T-16S, R-31E - ROBINSON NOS. 1-7  
 Sect 35, T-16S, R-31E - KENNEDY JOHNSON A NOS. 1-5  
 Sec. 35, T-16S, R-31E - CARPER JOHNSON A NOS. 1-6  
 Sec. 30, T-16S, R-32E - CARPER TAYLOR NOS. 1-3

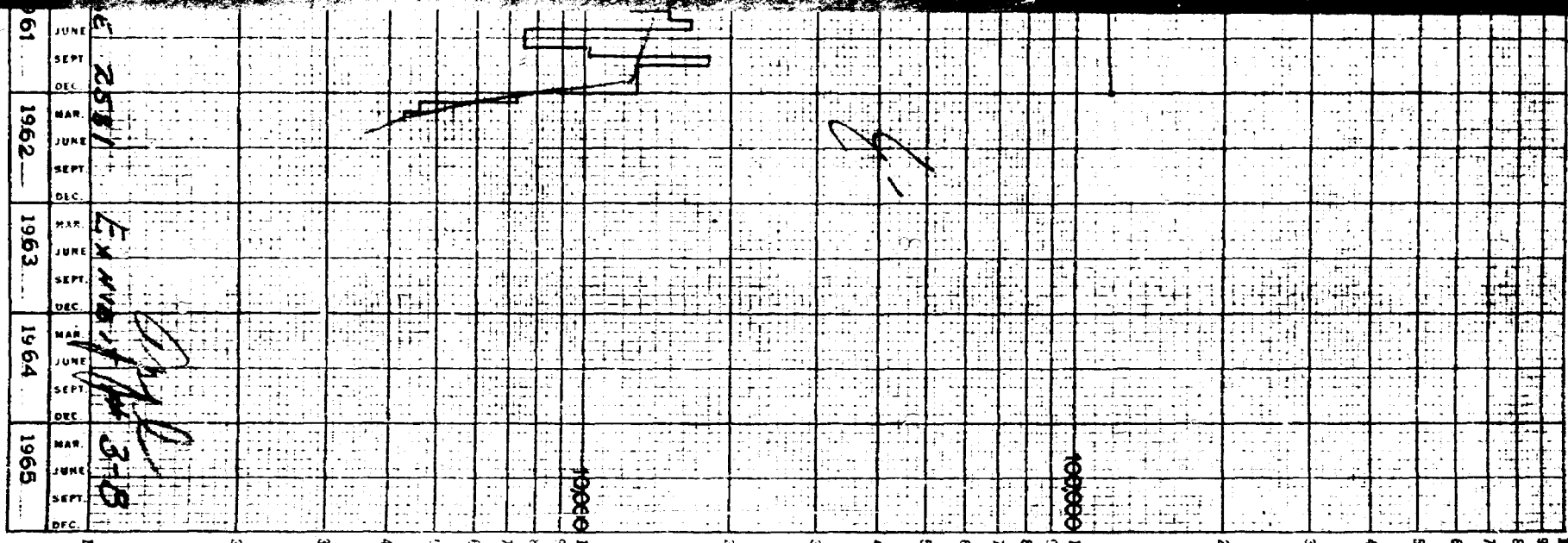
MONTH	1946	1947	1948	1949	1950	1951	1952	1953
JANUARY	1,945		2,501	1,939	1,656	1,626	1,518	1,525
FEBRUARY	1,579		2,449	1,991	1,720	1,606	1,691	1,021
MARCH	1,617		2,391	1,948	1,948	1,111	1,732	1,383
APRIL	3,316		1,990	2,311	1,639	1,260	1,425	1,442
MAY	2,226		3,192	995	1,633	1,865	1,690	1,446
JUNE	3,017		2,764	2,454	1,543	982	1,139	1,229
JULY	2,265		2,691	2,016	1,581	1,314	1,667	1,383
AUGUST	2,457		1,532	2,039	1,395	1,753	1,670	1,213
SEPTEMBER	2,099		2,320	2,223	1,626	766	1,624	1,112
OCTOBER	2,204		1,697	1,632	2,091	1,936	1,470	1,355
NOVEMBER	1,600		2,921	1,826	1,460	1,313	1,521	1,508
DECEMBER	2,084		2,711	1,904	1,784	1,721	1,493	1,522
TOTAL	26,409		29,159	23,278	20,076	17,255	18,640	16,139
CUMULATIVE		440,181	469,340	492,618	512,694	529,947	548,587	564,726
	1954	1955	1956	1957	1958	1959	1960	1961
JANUARY	1,397	1,550	1,670	1,505	1,174	1,491	1,691	1,693
FEBRUARY	1,313	1,329	1,914	1,308	1,152	1,219	1,227	1,434
MARCH	1,333	1,450	1,985	1,216	1,213	1,493	1,455	1,636
APRIL	972	1,192	1,440	1,211	1,131	1,462	1,200	1,536
MAY	1,322	1,119	1,647	1,147	1,272	1,568	1,532	1,538
JUNE	1,208	1,017	1,123	1,020	1,425	1,262	1,326	1,398
JULY	1,662	893	1,316	1,283	1,133	1,546	1,222	1,457
AUGUST	1,142	1,307	1,514	1,088	1,701	1,540	1,300	1,434
SEPTEMBER	1,394	1,241	1,521	1,093	1,376	1,250	1,518	1,139
OCTOBER	1,512	1,573	1,314	1,242	1,701	1,356	1,417	1,474
NOVEMBER	1,267	1,352	1,408	1,195	1,520	1,484	1,488	1,272
DECEMBER	1,489	1,159	1,312	1,186	1,486	1,533	1,678	1,469
TOTAL	16,011	15,242	18,164	14,494	16,284	17,204	17,054	17,480
CUMULATIVE	580,737	595,979	614,143	628,637	644,921	662,125	679,179	696,659

EXHIBIT No. 3-A

OIL PRODUCTION - BARRELS PER MONTH



CUMULATIVE OIL PRODUCTION - BARRELS





WATER FLOOD ASSOCIATES, INC.  
SQUARE LAKE PROJECT

WELL DATA

SQUARE LAKE FIELD, EDDY COUNTY  
T-17S, R-30E

LEASE NAME & WELL NO.	UNIT/ SEC.	ELEV.	DATE COMPLETED	SURFACE CASING	PRODUCTION CASING	T. D.	REMARKS
COLLIER-PARKE No. 1	A/3	3753	6/5/43	8 1/4" @ 495 w/50 sx	5 1/2" @ 2840 w/100 sx	3168	DEEPEMED FROM 3035 IN 1951
COLLIER-PARKE No. 2	B/3	3742	6/15/43	8 1/4" @ 500 w/50 sx	5 1/2" @ 2823 w/100 sx	3147	DEEPEMED FROM 3015 IN 1951
COLLIER-PARKE No. 3	G/3	3743	9/15/43	8 1/4" @ 504 w/50 sx	5 1/2" @ 2850 w/100 sx	3185	DEEPEMED FROM 3021 IN 1951 PRA 1/14/58
COLLIER-PARKE No. 4	H-3	3750	3/15/44	8 1/4" @ 495 w/50 sx	5 1/2" @ 2885 w/100 sx	3020	<i>well to be plugged</i>

LEASE NAME & WELL NO.	UNIT/ SEC.	STIMULATIONS	I. P. (B/D)	PRESENT RATE-B/D	CUM. PRI. REC.-BBLs.	PRODUCING INTERVAL
COLLIER-PARKE No. 1	A/3	SHOT: 130 QTS. 2970-3005 140 QTS. 3130-3168	100	1	27,000	ZONES 5, 6, & 8
COLLIER-PARKE No. 2	B/3	SHOT: 130 QTS. 2950-3015 115 QTS. 3118-3148	123	1	42,000	ZONES 5, 6, & 8
COLLIER-PARKE No. 3	G/3	SHOT: 130 QTS. 2945-3005	106	-0-	24,500	ZONES 5, 6, & 8
COLLIER-PARKE No. 4	H-3	SHOT: 120 QTS. 2960-3020	146	1	23,000	ZONES 5 & 6

*Propose to inj down pay closed system will  
start w/ 500 RPD @ 1500 psi press*

EXHIBIT NO. 4

67-2581

WATER FLOOD ASSOCIATES, INC.

301 BOOKER BLDG.  
ARTESIA, NEW MEXICO

P. O. BOX 376

MAY 31, 1962

PHONE SH 6-6032

STATE ENGINEER  
SANTA FE, NEW MEXICO

ATTENTION: MR. FRANK IRBY, CHIEF  
WATER RIGHTS DIVISION

DEAR MR. IRBY:

RE: OIL CONSERVATION COMMISSION  
CASE 2581

CASE 2581 WILL BE HEARD ON JUNE 7, WHEREIN WATER-FLOOD ASSOCIATES, INC. SEEKS APPROVAL OF A WATER FLOOD PROJECT IN NE/4, SECTION 3, T-17S, R-30E, EDDY COUNTY. APPLICATION IS MADE TO INJECT WATER INTO WELLS NO. 2 AND 4 AS SHOWN ON THE ATTACHED PLAT. THIS AREA IS NOT WITHIN A DECLARED WATER BASIN.

THE WELLS ARE EQUIPPED WITH 8 5/8" SURFACE CASING SET AT 500' AND 495' RESPECTIVELY AND CEMENTED WITH 50 SACKS. THE TOP OF THE CEMENT IS ESTIMATED TO BE AT 280'. THE PRODUCTION CASING IS 5 1/2" SET AT 2623' (NO. 2) AND 2885' (NO. 4) AND CEMENTED WITH 100 SACKS. THE TOP OF THE CEMENT BEHIND THE PRODUCTION STRING IS ESTIMATED TO BE AT 1490'. BOTH WELLS ARE COMPLETED IN OPEN HOLE BELOW THE CASING. THERE ARE NO PERFORATIONS IN THE CASING.

WE ARE PROPOSING TO INJECT WATER INTO BOTH OF THESE WELLS DOWN THE CASING.

ANY SHALLOW WATER WHICH MIGHT BE PRESENT IS PROTECTED BY TWO CASING STRINGS, BOTH STRINGS BEING CEMENTED. THE SURFACE CASING IS SET THROUGH THE OCHOA SERIES AND INTO THE SALT (SALADO).

WE ARE PLANNING TO PURCHASE WATER FOR INJECTION FROM THE NEWMONT OIL COMPANY PLANT LOCATED 1/2 MILE NORTH OF OUR LEASE.

PLEASE CALL ME IF THERE IS ANY FURTHER INFORMATION WHICH YOU MAY REQUIRE.

VERY TRULY YOURS,

WATER FLOOD ASSOCIATES, INC.

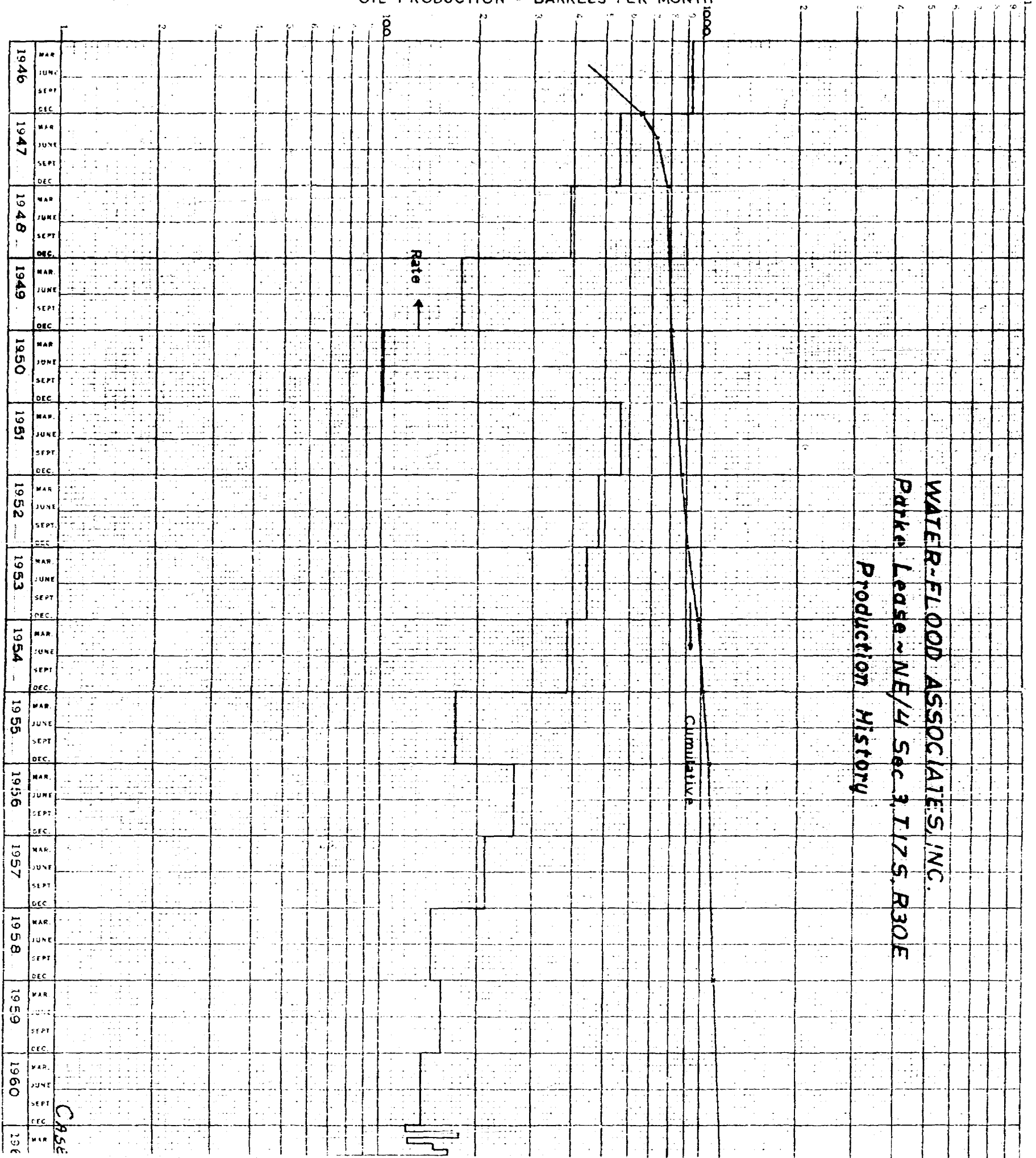
H. C. PORTER  
ENGINEER

HCP:EL

CASE 2581

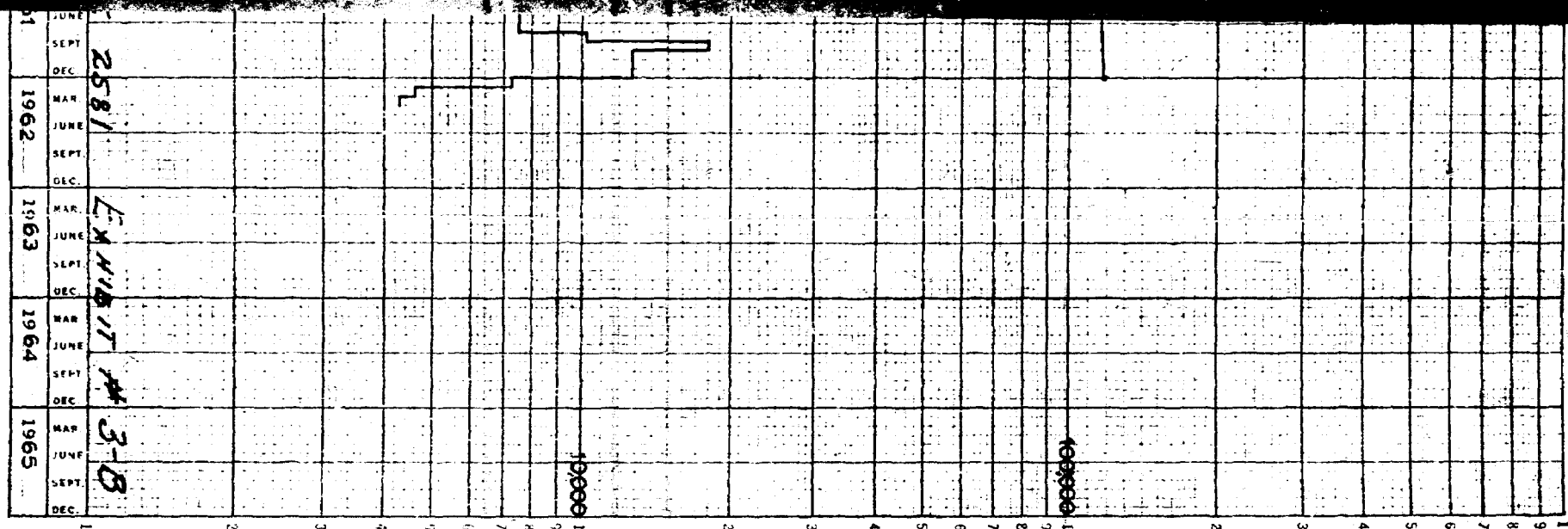
EXHIBIT #5

OIL PRODUCTION - BARRELS PER MONTH



CASE

CUMULATIVE OIL PRODUCTION - BARRELS



2581

E.M. HUBBARD #3-B

3-B

**WATER FLOOD ASSOCIATES, INC.**

301 BOOKER BLDG.  
ARTESIA, NEW MEXICO

P. O. BOX 376

PHONE SH 6-6032

**JUNE 4, 1962**

**UNITED STATES GEOLOGICAL SURVEY  
CARPENTER BUILDING  
ARTESIA, NEW MEXICO**

**ATTENTION: MR. JIM KNAPP**

**SENTANCE:**

**RE: NEW MEXICO OIL CONSERVATION  
COMMISSION CASE 2581**

CASE 2581 WILL BE HEARD BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION ON JUNE 7, 1962. WATER FLOOD ASSOCIATES, INC. SEEKS APPROVAL FOR TWO WATER INJECTION WELLS ON THE PARKE FEDERAL LEASE, NE/4 SECTION 3, T-17S, R-30E, EDDY COUNTY (LEASE LC 029020-J), AS SHOWN ON THE ATTACHED PLAT. THE PATTERNS IS A NATURAL EXTENSION OF THE WATER INJECTION PATTERN ESTABLISHED BY MEMMONT OIL COMPANY IN SECTION 34 TO THE NORTH.

WATER INJECTION WILL BE INTO THE GRAYBURD-SAN ANDRES FORMATION, THE PRODUCTIVE INTERVAL THROUGHOUT THE AREA.

THIS AREA WILL NOT BE UNITIZED. THE FLOOD PROGRAM WILL BE ON A COOPERATIVE BASIS WITH BALANCED INJECTION ACROSS LEASE LINES.

THE PRIMARY PRODUCTION IN THE AREA IS IN AN ADVANCED STAGE OF DEPLETION; HOWEVER CONSIDERABLE SECONDARY RESERVES REMAIN WHICH MAY BE RECOVERED BY WATER FLOOD METHODS. THE PROGRAM PROPOSED WILL BE IN THE INTEREST OF CONSERVATION OF NATURAL RESOURCES AND WILL ECONOMICALLY RECOVER OIL WHICH WOULD BE UNRECOVERABLE BY NATURAL PRODUCING MECHANISMS.

WE EARNESTLY SEEK YOUR APPROVAL OF THE CONVERSION OF OUR PARKE WELLS 2 AND 4 TO WATER INJECTION. IF THERE IS ANY FURTHER INFORMATION WHICH YOU REQUIRE, PLEASE CALL ME.

VERY TRULY YOURS,

**WATER FLOOD ASSOCIATES, INC.**

**H. C. PORTER  
SUPERINTENDENT**

**HCPCOL  
ATTACHMENT**

*CASE 2581  
EXHIBIT #6*

NEWMONT OIL COMPANY  
300 BOOKER BUILDING  
ARTESIA, NEW MEXICO

NEW MEXICO  
DISTRICT OFFICE

May 17, 1962

Waterflood Associates, Inc.  
301 Booker Bldg.  
Artesia, New Mexico

Attention: Mr. Hall Porter

Dear Mr. Porter:

This will inform you that Newmont Oil Company supports your application to convert the following wells for injection in the Square Lake Pool:

Parke No. 2 - NW/4 NE/4 Sec. 3-17-30  
Parke No. 4 - SE/4 NE/4 Sec. 3-17-30

These wells conform to the waterflood development pattern already established in this area.

Our support is given with the understanding that prompt action will be taken in developing this property for waterflood, including arrangements for leasehold cooperation with Newmont.

Yours very truly,

NEWMONT OIL COMPANY

*Herman J. Ledbetter*

Herman J. Ledbetter  
Superintendent

sf

BEFORE EXAMINER NUTTER  
OIL CONSERVATION COMMISSION  
EXHIBIT NO. \_\_\_\_\_  
CASE NO. \_\_\_\_\_

EXHIBIT #7

**WATER FLOOD ASSOCIATES, INC.**

301 HOOKER BLDG  
ARTESIA, NEW MEXICO

P. O. BOX 276

PHONE SH 8-6032

JUNE 4, 1962

UNITED STATES GEOLOGICAL SURVEY  
CAMPUS BUILDING  
ARLINGTON, NEW MEXICO

ATTENTION: Mr. JIM HART

RECEIVED:

NEW MEXICO OIL CONSERVATION  
COMMISSION

YOUR LETTER OF JUNE 1, 1962, REQUESTING WATER FLOOD REVENUES, INC. BEING A PART OF A WATER FLOOD PROJECT IN SECTION 35, T-10N, R-32E, S30Y COUNTY. APPLICATION IS MADE FOR OIL INJECTION WELLS AS SHOWN IN MAP ON THE ATTACHED PLAT. FIVE WELLS WILL BE CONVERTED FROM PRODUCERS TO INJECTORS AND TWO WELLS WILL BE DRILLED.

THE ECONOMIC EXTENSION OF THIS PROJECT IS ALSO SHOWN ON THE MAP. THE PROJECT WILL BE ON A COOPERATIVE BASIS WITH OILFIELD INJECTION ADJACENT LANDS.

THIS PROJECT IS A NORMAL EXTENSION OF THE PROJECTS ESTABLISHED IN THE FIELD OF MOUNTAIN OIL COMPANY OWNED IN SECTION 35 ON THE PLAT.

PERMANENT INJECTION IN THE PROPOSED PROJECT AREA IS IN A DEPLETED STRATA; BEING CONSIDERABLE RESERVES REMAIN WHICH MAY BE RECOVERED BY WATER FLOOD METHODS. THE PROPOSED PROJECT WILL BE IN THE INTEREST OF CONSERVATION OF A NATURAL RESOURCE AND WILL ECONOMICALLY RECOVER OIL WHICH WOULD BE UNRECOVERABLE BY PRIMARY PRODUCTION MECHANISMS.

PLEASE ACCEPT THIS LETTER AS OUR APPLICATION FOR YOUR APPROVAL OF THE PROJECT.

VERY TRULY YOURS,

WATER FLOOD ASSOCIATES, INC.

H. C. PORTER  
SUPERINTENDENT

ENCLOSURE  
ATTACHMENT

REPORT EXAMINED AND FOR  
OIL CONSERVATION COMMISSION  
FILE NO. 10  
CASE NO.