

Entered October 25, 1962

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. 2607
Order No. R-1110-D

APPLICATION OF NEWMONT OIL COMPANY
FOR AN AMENDMENT OF ORDERS NOS.
R-1110, R-1110-A, R-1110-B, AND
R-1110-C, EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on July 26, 1962, at Santa Fe, New Mexico, before Elvis A. Utz, 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 August, 1962, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, 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 Order No. R-1110 authorized the institution of a pilot waterflood project in the Square Lake Pool to inject water into the Lower Grayburg and the Upper San Andres formations in Sections 29, 30, and 32 of Township 16 South, Range 31 East, NMPM, Eddy County, New Mexico.

(3) That Order No. R-1110-A authorized the use of different water injection wells from those authorized in Order No. R-1110.

(4) That Order No. R-1110-B expanded said waterflood project to include lands in Sections 28, 31, 32, 33, and 34, all in Township 16 South, Range 31 East, NMPM, Eddy County, New Mexico, which expansion included lands to be operated by Newmont Oil Company under an agreement with Kennedy Oil Company and Southern Petroleum Exploration Company.

(5) That Order No. R-1110-C expanded said waterflood project to include the S/2 SW/4 of Section 20 and the N/2 NW/4 of Section 29, all in Township 16 South, Range 31 East, NMPM, Eddy

The original of Order No.

R-1110-D was lost
by the printing office.

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County, New Mexico, which lands were to be operated by Newmont Oil Company under an agreement with the owner of said 160-acre tract.

(6) That the entire area included in the waterflood project by Orders Nos. R-1110, R-1110-A, R-1110-B, and R-1110-C was exempted from the allowable provisions of Rule 701-E.

(7) That in the subject case, the applicant, Newmont Oil Company, seeks permission to expand the waterflood project to include the N/2 NE/4 of Section 29, Township 16 South, Range 31 East, NMPM, Eddy County, New Mexico, which lands are to be operated by Newmont Oil Company under an operating agreement with John N. Fidel.

(8) That the applicant had previously entered into the operating agreement with John N. Fidel concerning the subject lands, and the lands were intended to be included in Newmont Oil Company's application for expansion of the waterflood project filed in Case No. 2566 and subsequently granted by Order No. R-1110-C, but that the applicant inadvertently omitted the subject lands from the said application.

(9) That the conversion to water injection of wells in the area proposed to be included in the waterflood project should be approved, and said area should be exempt from the allowable provisions of Rule 701-E. Provided however, that any future expansions to said waterflood project area should be considered for inclusion in a buffer zone to be created around said project area.

IT IS THEREFORE ORDERED:

(1) That the Square Lake Waterflood Project operated by the applicant, Newmont Oil Company, shall comprise the following-described acreage:

TOWNSHIP 16 SOUTH, RANGE 31 EAST, NMPM
EDDY COUNTY, NEW MEXICO

Section 19: S/2 SE/4
Section 20: S/2 SW/4
Section 28: W/2 SW/4
Section 29: All
Section 30: NE/4 and E/2 SE/4
Section 32: N/2
Section 33: N/2, SE/4 and E/2 SW/4
Section 34: S/2, W/2 NW/4 and SW/4 NE/4

(2) That all of the above-described acreage which was not included in the previously authorized Square Lake Waterflood Project is hereby designated a legitimate expansion of said project, and shall be exempt from the allowable provisions of Rule 701-E.

(3) That the provisions of Orders Nos. R-1110, R-1110-A, R-1110-B, and R-1110-C shall remain in full force and effect.

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(4) That the waterflood project as expanded by this order shall be operated in accordance with the provisions of Rule 701-E of the Commission Rules and Regulations, except as provided in Paragraph 2 above.

(5) 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



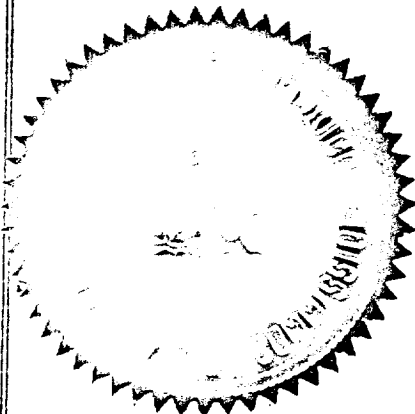
EDWIN L. MECHEM, Chairman



E. S. WALKER, Member



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



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