

*Entered November 3, 1961*  
*W.P.*

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. 2370  
Order No. R-2064

APPLICATION OF NEWMONT OIL COMPANY  
FOR SPECIAL RULES GOVERNING THE  
SQUARE LAKE POOL WATERFLOOD PROJECT,  
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 30, 1961, 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 19th day of September, 1961, 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 in order for a well in a waterflood project to be eligible for administrative approval for conversion to water injection under the provisions of Rule 701 of the Commission Rules and Regulations, it must have experienced a substantial response to water injection, or be directly offset by a producing well which has experienced such response.
- (3) That the applicant, Newmont Oil Company, as an exception to this portion of Rule 701, proposes that an administrative procedure be established for its waterflood project in the Square Lake Pool, Eddy County, New Mexico, whereby the Secretary-Director of the Commission may authorize the conversion of producing wells to water injection wells in stages rather than after response.
- (4) That conversion of wells in stages rather than after response in this particular situation will not cause waste nor adversely affect the market demand for crude oil from other wells inasmuch as the project will be so expanded as to cause the several expansions to reach peak production at various times.

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(5) That the subject application should be approved.

IT IS THEREFORE ORDERED:

(1) That an administrative procedure is hereby established for the Newmont Oil Company's Square Lake Pool Waterflood Project whereby the Secretary-Director of the Commission may authorize the conversion of producing wells to water injection wells in stages, as follows:

(a) Stage I

TOWNSHIP 16 SOUTH, RANGE 31 EAST

Section 28: W/2 SW/4  
Section 29: SE/4 SE/4  
Section 32: NE/4  
Section 33: W/2 NW/4, NE/4 NW/4

Wells in this stage may be converted to injection not earlier than October 1, 1961.

(b) Stage II

TOWNSHIP 16 SOUTH, RANGE 31 EAST

Section 33: NE/4, SE/4 NW/4,  
E/2 SW/4, SE/4  
Section 34: W/2 NW/4

Wells in this stage may be converted to injection not earlier than July 1, 1962.

(c) Stage III

TOWNSHIP 16 SOUTH, RANGE 31 EAST

Section 34: SW/4 NE/4, S/2

Wells in this stage may be converted to injection not earlier than April 1, 1963.

(2) That in order to obtain administrative approval under the procedure established in paragraph (1) above, applicant shall submit to the Commission in triplicate a request for such administrative approval, setting forth therein detailed information concerning the casing and cementing program for each well to be converted to water injection. The State Engineer shall be furnished a copy of said application, and, if no objection to the application is received within fifteen (15) days, the Secretary-Director may authorize such conversion without notice and hearing.

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(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.

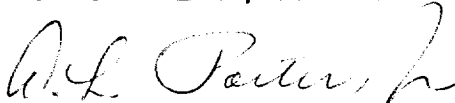
STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION



EDWIN L. MECHEM, Chairman



E. S. WALKER, Member



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

S E A L

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