

Entered December 9, 1968
R.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. 3983
Order No. R-3626

APPLICATION OF NEWMONT OIL COMPANY
FOR A WATERFLOOD EXPANSION AND
UNORTHODOX WELL LOCATIONS, EDDY
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on December 2, 1968, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 9th day of December, 1968, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, 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, Newmont Oil Company, seeks authority to expand its Loco Hills Sand Unit Waterflood Project in the Loco Hills Pool by the injection of water into the Loco Hills Sand of the Grayburg formation through three injection wells to be drilled at unorthodox locations in Township 18 South, Range 29 East, NMPM, Eddy County, New Mexico, as follows:

A well to be drilled 1960 feet from the South line and 1310 feet from the East line of Section 4;

A well to be drilled 10 feet from the North line and 1325 feet from the East line of Section 9; and

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A well to be drilled 1310 feet from the North line and 10 feet from the West line of Section 15.

(3) That the applicant also seeks authority to drill a producing well in said Loco Hills Sand Unit Waterflood Project at an unorthodox location 1330 feet from the South line and 330 feet from the West line of Section 3, Township 18 South, Range 29 East, NMPM, Eddy County, New Mexico.

(4) That the wells in the project area are in an advanced state of depletion and should properly be classified as "stripper" wells.

(5) That the proposed non-standard locations are necessary to complete an efficient water injection and oil production pattern.

(6) That the proposed expansion of the Loco Hills Sand Unit Waterflood Project should result in the recovery of otherwise unrecoverable oil, thereby preventing waste.

(7) That the subject application should be approved and the expanded project should be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

IT IS THEREFORE ORDERED:

(1) That the applicant, Newmont Oil Company, is hereby authorized to expand its Loco Hills Sand Unit Waterflood Project in the Loco Hills Pool by drilling the following injection wells at unorthodox locations for the injection of water into the Loco Hills Sand of the Grayburg formation in Township 18 South, Range 29 East, NMPM, Eddy County, New Mexico:

A well to be drilled 1960 feet from the South line and 1310 feet from the East line of Section 4;

A well to be drilled 10 feet from the North line and 1325 feet from the East line of Section 9; and

A well to be drilled 1310 feet from the North line and 10 feet from the West line of Section 15.

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(2) That the applicant is hereby authorized to drill a producing well in said Loco Hills Sand Unit Waterflood Project at an unorthodox location 1330 feet from the South line and 330 feet from the West line of Section 3, Township 18 South, Range 29 East, NMPM, Eddy County, New Mexico.

(3) That the expanded waterflood project shall be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

(4) That monthly progress reports of the expanded waterflood project herein authorized shall be submitted to the Commission in accordance with Rules 704 and 1120 of the Commission Rules and Regulations.

(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

DAVID F. CARGO, Chairman

Guyton B. Hays
GUYTON B. HAYS, Member

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

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