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OIL CONSERVATION COMMISSION  
AZTEC DISTRICT

OIL CONSERVATION COMMISSION  
BOX 2088  
SANTA FE, NEW MEXICO

DATE 10/16/79

RE: Proposed MC \_\_\_\_\_  
Proposed DHC \_\_\_\_\_  
Proposed NSL \_\_\_\_\_  
Proposed SWD \_\_\_\_\_  
Proposed WFX XXXX \_\_\_\_\_  
Proposed PMX \_\_\_\_\_

Dan Nutter

Gentlemen:

I have examined the application dated 10/11/79  
for the Hicks, Enco, Inc.  
Operator Lease and Well No. Unit, S-T-R

and my recommendations are as follows:

Navajo F #147 & Navajo F #148, C & B-9-31N-17W

This is not really an extension, But is a pattern change for the project.

Approve.

Yours very truly,

  
A. R. Kendrick

# HICKS ENCO, INC.

2313 SANTIAGO    PHONE: (505) 325-3950  
FARMINGTON, NEW MEXICO 87401

October 11, 1979

New Mexico Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico    87501

RE:   Horseshoe Gallup  
     Pressure Maintenance  
     Project No.2

Dear Sir:

We request permission to drill two injection wells on the referenced unit to test the feasibility of changing the injection pattern from 80 acre to 40 acre. Also, we must have approval to drill on or near boundaries and legal sub-divisions in order to accomplish our goal. The enclosed copy of a letter from the U.S.G.S. indicates their approval of this pilot test.

This field was drilled on 40 acre spacing and water flooded with 80 acre five spot patterns. We feel this program by-passed economical recoverable oil.

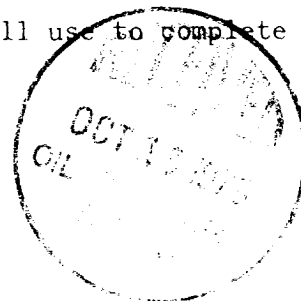
The attached map shows the original 80 acre pattern outlined in blue. The proposed 40 acre pattern is outlined in red. The injection wells would be at the corners of the red squares.

We wish to drill two wells to test our theory. They are Navajo "F" 147, located 5' from North line and 2545' from West line, Section 9 - T31N-R17W and Navajo "F" 148 located 1200' from North line and 1410' from East line, Section 9 - T31N - R13W. They are the red corners with red circles.

We intend to complete these wells initially as producers. After testing to determine oil - water ratios they will be converted to water injection.

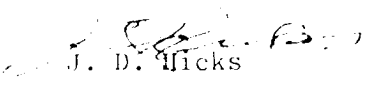
The closest offset operator is 2545' West of our Navajo "F" 147. We don't feel notification of offset operators is necessary at this time.

The attached schematic drawing shows the method we will use to complete these proposed injection wells.



We wish to drill these wells before winter. Your early consideration of this proposal will be appreciated.

Sincerely,

  
J. D. Hicks  
PRESIDENT

JDH/11

Encl.

~~cc:~~ Al Kendrick



United States Department of the Interior

GEOLOGICAL SURVEY

P. O. Box 959  
Farmington, New Mexico 87401

August 29, 1979

Hicks Enco, Inc.  
Attn: Mr. J. D. Hicks  
2313 Santiago  
Farmington, New Mexico 87401

Subject: Navajo leases 14-20-603-65, 14-20-603-2033, 14-20-603-2034,  
Horseshoe Gallup Field, San Juan County, New Mexico.

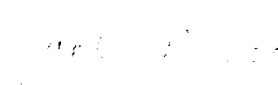
Gentlemen:

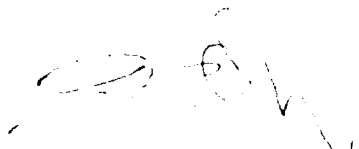
This will acknowledge receipt of your letter dated August 24, 1979, explaining your proposal to drill two pilot injection wells within the waterflood being conducted on captioned leases to test the feasibility of reducing the injection pattern from 80-acre to 40-acre five spot. You state that you estimate a recovery increase of 400,000 barrels of oil, provided the project is successful.

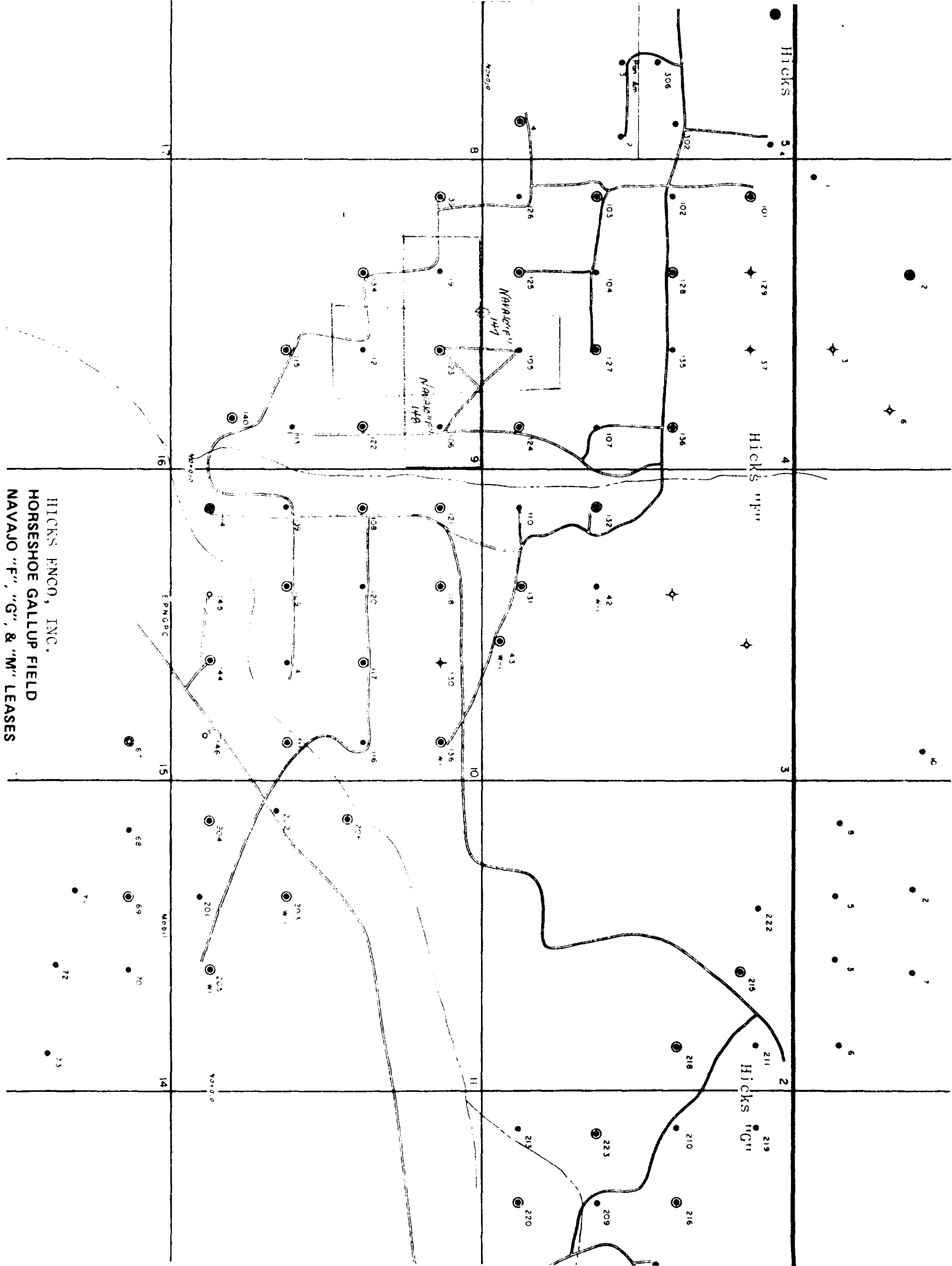
We have examined the plat submitted with your letter, and this is to advise you that the proposal is acceptable to this office. It would be our thought, however, that if the drilling of these pilot wells encounters high quality unswept pay sand, as you anticipate, that it may be advisable to produce these wells for a period of time, and then convert them to injection wells at a later date.

Your applications to drill the pilot wells should be filed with this office on form 9-331C, together with all of the supplemental data required by NTL-6.

Sincerely yours,

  
Jack Willock  
Acting District Engineer

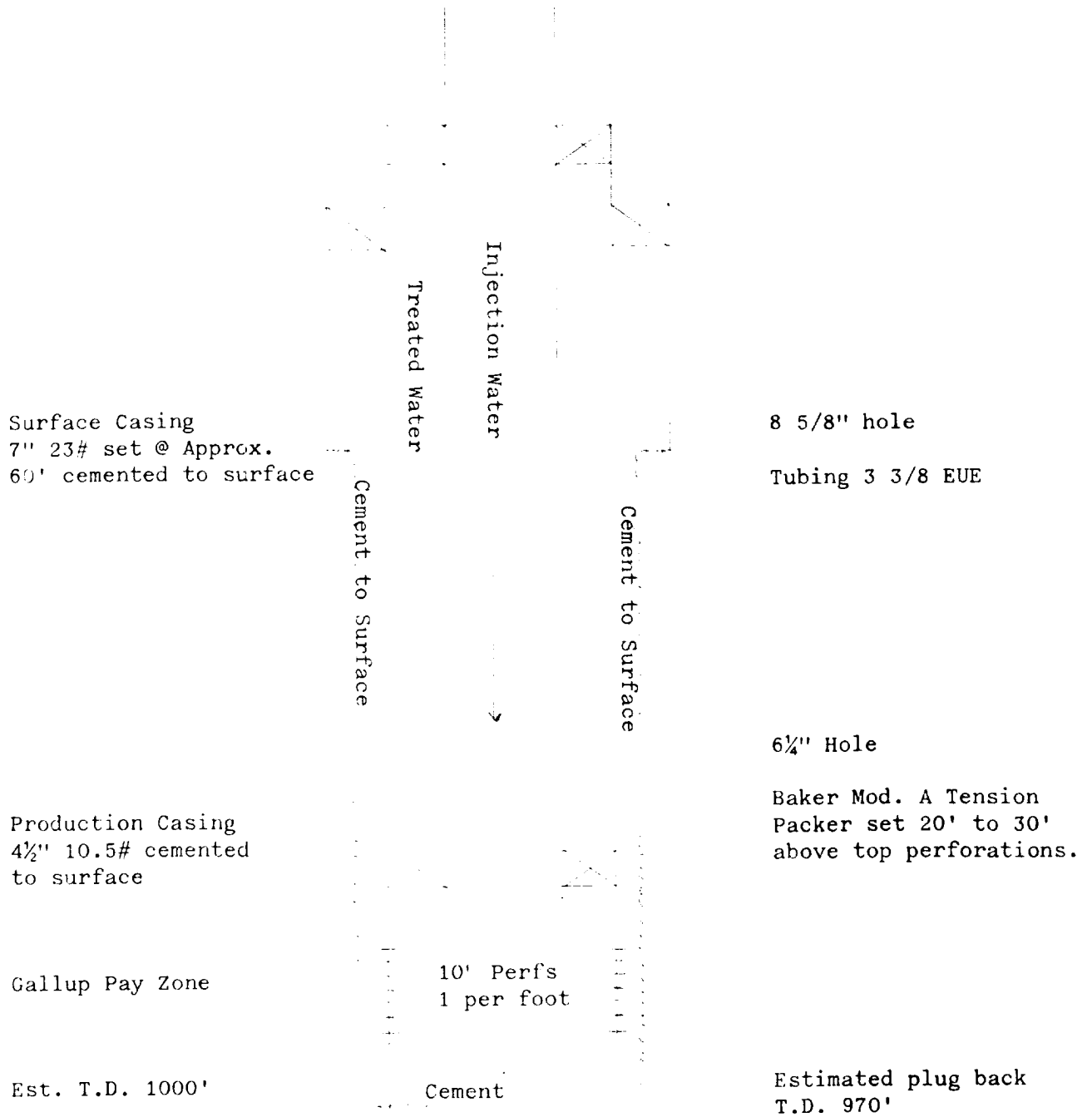




HICKS ENCO, INC.  
HORSESHOE GALLUP FIELD  
NAVAJO "F", "G", & "M" LEASES

# HICKS ENCO, INC.

2313 SANTIAGO      PHONE: (505) 325-3950  
FARMINGTON, NEW MEXICO 87401



NOT TO SCALE