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plication, Transcript,
all Exhibits, Etc.

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

July 13, 1961

Mr. Jack Campbell
Campbell & Russell
P. O. Drawer 640
Roswell, New Mexico

Re: CASE NO. 2334, 2335 and 2336
ORDER NO. R-2031, 2032 and 2033
APPLICANT: General American
Ambassador & Fair Oil Co.

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 ☒
Artesia OCC ☒
Aztec OCC ☐

OTHER _____

**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. 2334
Order No. R-2031**

**APPLICATION OF GENERAL AMERICAN
OIL COMPANY OF TEXAS FOR PERMIS-
SION TO INSTITUTE A WATERFLOOD
PROJECT IN THE LOCO HILLS POOL,
EDDY COUNTY, NEW MEXICO, AND FOR
SPECIAL ALLOWABLES IN CONNECTION
THEREWITH.**

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on July 6, 1961, at Santa Fe, New Mexico, before Elvis A. Uta, 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 13th day of July, 1961, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Uta, 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, General American Oil Company of Texas, is the owner and operator of Federal Lease LC 060529, comprising in pertinent part the NE/4 and the SW/4 of Section 31, Township 17 South, Range 30 East, and of the State Lease B-1778, comprising in pertinent part the SE/4 NE/4 of Section 36, Township 17 South, Range 29 East, all in Eddy County, New Mexico.

(3) That said leases are direct offsets to certain leases in the Loco Hills Pool upon which Newmont Oil Corporation is presently conducting waterflood operations.

(4) That in the interest of increasing ultimate recovery and of producing oil which otherwise might not be recovered, applicant seeks authority to institute a waterflood project on the above-described leases by the injection of water into the Loco Hills Sand, which occurs in this area at a depth of

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Order No. R-2031

approximately 2800 feet below the surface, into the following wells which would be converted from producing wells:

Well "F" No. 2, located
330 feet from the South
line and 330 feet from the
West line,

Well "F" No. 4, located
1650 feet from the South
line and 2310 feet from the
West line,

Well "F" No. 5, located
2310 feet from the North
line and 1650 feet from the
East line,

Well "F" No. 11, located
1650 feet from the North
line and 330 feet from the
East line,

all in Section 31, Township 17 South, Range 30 East, MURK, Bddy
County, New Mexico, and into the following wells which would be
drilled at unorthodox locations:

State "A" No. 2, located
1295 feet from the South
line and 990 feet from the
East line of Section 36,
Township 17 South, Range
29 East,

Well "F" No. 16, located
2310 feet from the South
line and 1300 feet from the
West line of Section 31,
Township 17 South, Range
30 East,

Well "F" No. 17, located
2615 feet from the South
line and 25 feet from the
West line of Section 31,
Township 17 South, Range
30 East.

(5) That inasmuch as the Newmont Oil Corporation's water-
flood is of the "capacity allowable" type with relatively high
injection rates, applicant in this case proposes to inject at
equivalent rates and requests special allowables for its produc-
ing wells.

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(6) That the applicant should be permitted to institute a waterflood in the Loco Hills Sand of the Loco Hills Pool, Eddy County, New Mexico, by the injection of water into the wells described in Finding No. 4 above, and that a buffer zone should be established wherein water can be injected and wells produced at rates comparable to those in the Newmont Waterflood Project.

(7) That said buffer zone should include the following-described acreage:

SECTION 31, TOWNSHIP 17 SOUTH, RANGE 30 EAST
SE/4 NE/4 NE/4, S/2 NE/4, SW/4

SECTION 36, TOWNSHIP 17 SOUTH, RANGE 29 EAST
SE/4 SE/4

(8) That all producing wells located outside the above-described buffer zone should be operated and produced in accordance with the allowable provisions of Rule 701 of the Commission's Rules and Regulations, the project area being limited to that portion of the subject leases which is not included in the buffer zone.

(9) That production from wells outside the buffer zone should be tanked separately from production from wells inside the buffer zone, unless the applicant receives approval from the Commission for some other satisfactory means of determining production from each of the two areas.

(10) That the applicant should be permitted to drill its Beeson "F" Well No. 15 as an additional producing well at an unorthodox location 1660 feet from the North line and 1480 feet from the East line of Section 31, Township 17 South, Range 30 East.

(11) That Order No. R-1970 entered in Case No. 2238 should be superseded.

IT IS THEREFORE ORDERED:

(1) That the applicant, General American Oil Company of Texas, is hereby authorized to institute a waterflood in the Loco Hills Sand of the Loco Hills Pool on its Federal Lease LC 060529, comprising the NE/4 and the SW/4 of Section 31, Township 17 South, Range 30 East, and on its State Lease B-1778, comprising the SE/4 SE/4 of Section 36, Township 17 South, Range 29 East, all in Eddy County, New Mexico, by the injection of water into the following-described wells to be converted from producing wells:

Beeson "F" No. 2, located
330 feet from the South
line and 330 feet from the
West line,

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Season "F" No. 4, located
1650 feet from the South
line and 2310 feet from the
West line,

Season "F" No. 5, located
2310 feet from the North
line and 1650 feet from the
East line,

Season "F" No. 11, located
1650 feet from the North
line and 330 feet from the
East line,

all in Section 31, Township 17 South, Range 30 East, HMPN, Eddy
County, New Mexico, and into the following wells to be drilled
at unorthodox locations, which are hereby approved:

State "A" No. 1, located
1295 feet from the South
line and 990 feet from the
East line of Section 36,
Township 17 South, Range
29 East,

Season "F" No. 16, located
2310 feet from the South
line and 1300 feet from the
West line of Section 31,
Township 17 South, Range
30 East,

Season "F" No. 17, located
2615 feet from the South
line and 25 feet from the
West line of Section 31,
Township 17 South, Range
30 East.

(2) That the following-described buffer zone is hereby
established wherein water can be injected and wells produced at
rates comparable with those in the Newmont Waterflood Project:

SECTION 31, TOWNSHIP 17 SOUTH, RANGE 30 EAST
SE/4 NE/4 NE/4, S/2 NE/4, SW/4

SECTION 36, TOWNSHIP 17 SOUTH, RANGE 29 EAST
SE/4 SE/4

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(3) That all producing wells located outside the above-described buffer zone shall be operated and produced in accordance with the allowable provisions of Rule 701 of the Commission's Rules and Regulations, the project area being limited to that portion of the subject leases which is not included in the buffer zone.

(4) That production from wells outside the buffer zone shall be tanked separately from production from wells inside the buffer zone, unless the applicant receives approval from the Commission for some other satisfactory means of determining production from each of the two areas.

(5) That the applicant is hereby authorized to drill its Beacon "F" Well No. 15 as a producing well, at an unorthodox location 1640 feet from the North line and 1480 feet from the East line of Section 31, Township 17 South, Range 30 East.

(6) That Order No. R-1970 entered in case No. 2238 is hereby ~~superseded~~.

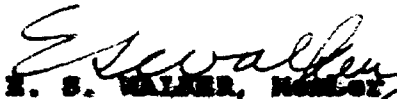
(7) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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



esx/

Cases 2334-5-6

Heard 7-7-61

Rec. 7-8-61

1. Grant General American, Ambassador, & Fair the extension of the water flood buffer zone as requested.

I would suggest that we supersede Order R-1970-1-2 and add the requested acreage in a new order. The new buffer zone would consist of:

Sec. 31-175-30E. (Gen. Am.)

~~SE/4 NW/4~~, SE/4 NE/4 NE/4, S/2 NE/4, SW/4,

Sec. 31-175-30E (Ambassador)

N/2 SE/4, S/2 NW/4.

Sec. 36-175-30E (Fair)

N/2 SE/4

Thos A. [Signature]

No. 19-61

DOCKET: EXAMINER HEARING - THURSDAY, JULY 6, 1961

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

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

- CASE 2328: Application of Texas Pacific Coal & Oil Company for two non-standard gas proration units, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of a 240-acre non-standard gas proration unit in the Jalmat Gas Pool consisting of the S/2 NE/4 and the SE/4 of Section 14, Township 24 South, Range 36 East, Lea County, New Mexico, to be dedicated to the Cooper Well No. 5 located 1980 feet from the North line and 660 feet from the East line of said Section 14. Applicant further seeks the establishment of a 320-acre non-standard gas proration unit in said pool consisting of the SW/4 of Section 4 and the NW/4 of Section 9, all in Township 23 South, Range 36 East, Lea County, New Mexico, to be dedicated to the State A Account No. 1 Well No. 18 located 660 feet from the South and West lines of said Section 4.
- CASE 2329: Application of Texaco Inc. for an unorthodox gas well location, for a non-standard gas proration unit and for a gas-gas dual completion, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks permission to locate its L. M. Barton Well No. 1 at an unorthodox location in the Blanco-Mesaverde Gas Pool, 1850 feet from the North line and 1650 feet from the West line of Section 12, Township 30 North, Range 12 West, San Juan County, New Mexico, and to complete said well as a dual completion (tubingless) with gas production from the Blanco-Mesaverde Gas Pool and the Basin-Dakota Gas Pool through 2 7/8-inch and 4½-inch casing, respectively, cemented in a common well bore. Applicant further seeks the establishment of a 160-acre non-standard gas proration unit in said pools consisting of the W/2 NW/4, the SE/4 NW/4 and the NE/4 SW/4 of said Section 12, to be dedicated to said well.
- CASE 2330: Application of Southwest Production Company for an unorthodox oil well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location in the Cha Cha-Gallup Oil Pool at a point

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CASE 2330:(Cont.)

1912 feet from the South line and 2310 feet from the East line of Section 16, Township 29 North, Range 14 West, San Juan County, New Mexico.

CASE 2331:

Application of Southwest Production Company for an unorthodox oil well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox oil well location in the Cha Cha-Gallup Oil Pool at a point 990 feet from the North line and 330 feet from the West line of Section 16, Township 29 North, Range 14 West, San Juan County, New Mexico.

CASE 2332:

Application of Wolfson Oil Company for a non-standard oil proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of a 160-acre non-standard gas proration unit adjacent to the North Skaggs-Drinkard Gas Pool consisting of the S/2 SW/4 of Section 5 and the N/2 NW/4 of Section 8, all in Township 20 South, Range 38 East, Lea County, New Mexico.

CASE 2333:

Application of Nash, Windfohr & Brown for the creation of a new oil pool and for special rules therein, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of a new oil pool for Abo production to be designated the Jackson-Abo Pool consisting of the E/2 of Section 23 and all of Section 24, Township 17 South, Range 30 East, Eddy County, New Mexico. Applicant further seeks the establishment of special rules governing said pool including a provision for a limiting gas-oil ratio of 10,000 : 1.

CASE 2334:

Application of General American Oil Company of Texas for an amendment of Order No. R-1970. Applicant, in the above-styled cause, seeks an amendment of Order No. R-1970 to add the following-described acreage in Eddy County, New Mexico, to the buffer zone established in paragraph (2) of said order:

SECTION 31, TOWNSHIP 17 SOUTH, RANGE 30 EAST

N/2 SW/4 SW/4

N/2 SW/4

W/2 SW/4 NE/4

NE/4 SW/4 NE/4

NW/4 SE/4 NE/4

CASE 2335:

Application of Ambassador Oil Corporation for an amendment of Order No. R-1971. Applicant, in the above-styled cause, seeks an amendment of Order No. R-1971 to add the following-described acreage in Eddy County, New Mexico, to the buffer zone established in paragraph (2) of said order:

SECTION 31, TOWNSHIP 17 SOUTH, RANGE 30 EAST
NW/4 NW/4 SE/4
S/2 NW/4

CASE 2336:

Application of Fair Oil Company for an amendment of Order No. R-1972. Applicant, in the above-styled cause, seeks an amendment of Order No. R-1972 to add the following-described acreage in Eddy County, New Mexico, to the buffer zone established in paragraph (2) of said order:

SECTION 36, TOWNSHIP 17 SOUTH, RANGE 29 EAST
N/2 N/2 SE/4

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF)
GENERAL AMERICAN OIL COMPANY OF TEXAS)
FOR AN ORDER AMENDING ORDER NO. R-1970)
TO INCLUDE IN THE DESIGNATED BUFFER ZONE)
THE $W\frac{1}{2}SW\frac{1}{4}NE\frac{1}{4}$, $NE\frac{1}{4}SW\frac{1}{4}NE\frac{1}{4}$, $NW\frac{1}{4}SE\frac{1}{4}NE\frac{1}{4}$, $N\frac{1}{2}SW\frac{1}{4}$,)
AND $N\frac{1}{2}SW\frac{1}{4}SW\frac{1}{4}$ Section 31, TOWNSHIP 17 SOUTH,)
RANGE 30 EAST, LOCO HILLS POOL, EDDY COUNTY,)
NEW MEXICO.)

No. 2334

APPLICATION

COMES NOW General American Oil Company of Texas, by its Attorneys, Campbell & Russell, and for its application, states:

1. By its Order No. R-1970 dated May 11, 1961, the Commission designated the $SE\frac{1}{4}NE\frac{1}{4}NE\frac{1}{4}$, $E\frac{1}{2}SE\frac{1}{4}NE\frac{1}{4}$, $SW\frac{1}{4}SE\frac{1}{4}NE\frac{1}{4}$, $SE\frac{1}{4}SW\frac{1}{4}NE\frac{1}{4}$, $SE\frac{1}{4}SW\frac{1}{4}$, $S\frac{1}{2}SW\frac{1}{4}SW\frac{1}{4}$ Section 31, Township 17 South, Range 30 East, and the $SE\frac{1}{4}SE\frac{1}{4}$ Section 36, Township 17 South, Range 29 East, N.M.P.M., Eddy County, New Mexico as a buffer zone and authorized special capacity allowables for wells situated within this buffer zone.

2. In the interest of prevention of waste and protection of correlative rights, Applicant considers it essential that the $W\frac{1}{2}SW\frac{1}{4}NE\frac{1}{4}$, $NE\frac{1}{4}SW\frac{1}{4}NE\frac{1}{4}$, $NW\frac{1}{4}SE\frac{1}{4}NE\frac{1}{4}$, $N\frac{1}{2}SW\frac{1}{4}$ and $N\frac{1}{2}SW\frac{1}{4}SW\frac{1}{4}$ of Section 31, Township 17 South, Range 30 East, be included in said buffer zone.

WHEREFORE, Applicant prays that the Commission set this matter down for hearing before one of its Examiners, that it publish notice as required by law, and, after hearing, issue its order amending its Order R-1970 by including in the designated buffer zone the $W\frac{1}{2}SW\frac{1}{4}NE\frac{1}{4}$, $NE\frac{1}{4}SW\frac{1}{4}NE\frac{1}{4}$, $NW\frac{1}{4}SE\frac{1}{4}NE\frac{1}{4}$, $N\frac{1}{2}SW\frac{1}{4}$ and $N\frac{1}{2}SW\frac{1}{4}SW\frac{1}{4}$ of

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Hearings
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6-21-61

Section 31, Township 17 South, Range 30 East, N.M.P.M., Eddy County,
New Mexico, and granting special capacity allowables for wells
situated within the said buffer zone.

Respectfully submitted,

GENERAL AMERICAN OIL COMPANY
OF TEXAS

By



Jack M. Campbell, for
CAMPBELL & RUSSELL
P. O. Drawer 640
Roswell, New Mexico

Its Attorneys

DATED: June 20, 1961