

CASE 3534: Application of NEWMONT
OIL CO. for a waterflood expansion
and unorthodox well locations.

CASE No.

3534

Application,
TRANSCRIPTS,
SMALL Exhibits
ETC.

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. 3534
Order No. R-3204

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

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on March 8, 1967,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 14th day of March, 1967, 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 West Grayburg No. 4 Sand Waterflood Project in the
Loco Hills Pool by drilling a water injection well at an unortho-
dox location 175 feet from the South line and 1500 feet from the
East line of Section 10 for the injection of water into the
Grayburg formation, and further, to drill two production wells
at unorthodox locations 2600 feet from the North line and 1200
feet from the West line of Section 10, and 1190 feet from the
North line and 150 feet from the East line of Section 11, all in
Township 18 South, Range 29 East, NMPM, Eddy County, New Mexico.

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

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CASE No. 3534

Order No. R-3204

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

(5) That the proposed expansion of the West Grayburg No. 4 Sand Waterflood Project should result in the recovery of otherwise unrecoverable oil, thereby preventing waste.

(6) 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 West Grayburg No. 4 Sand Waterflood Project in the Loco Hills Pool by drilling the following well at an unorthodox location in Township 18 South, Range 29 East, NMPM, Eddy County, New Mexico:

West Loco Hills Unit Well No. 17-11, a water injection well for the injection of water into the Grayburg formation, to be located 175 feet from the South line and 1500 feet from the East line of Section 10.

(2) That the applicant is hereby authorized to drill the following wells at unorthodox locations in Township 18 South, Range 29 East, NMPM, Eddy County, New Mexico:

West Loco Hills Unit Well No. 8A-3, a production well, to be located 2600 feet from the North line and 1200 feet from the West line of Section 10.

West Loco Hills Unit Well No. 37-3, a production well, to be located 1190 feet from the North line and 150 feet from the East line of Section 11.

(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


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CASE No. 3534
Order No. R-3204

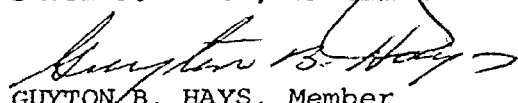
accordance with Rules 704 and 1120 of the Commission Rules and Regulations.

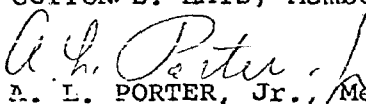
(5) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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, Member


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

S E A L

esr/

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO

March 29, 1967

C

Mr. John Russell
Attorney at Law
Post Office Drawer 640
Roswell, New Mexico

O

Dear Sir:

P

Reference is made to Commission Order No. R-3204, recently entered in Case No. 3534, authorizing the expansion of the Newmont West Grayburg No. 4 Sand Waterflood Project by the drilling of two producing wells at unorthodox locations and the completion for water injection of one additional well at an unorthodox location.

Y

Injection into Well No. 17-11 shall be down the 4½-inch casing, which shall be new casing, pressure-tested to a minimum of 1800 psi upon completion of the cement job. All three wells are to be completed with 8 5/8-inch surface casing and a 4½-inch long string, which shall be cemented with a minimum of 150 sacks of cement.

As to allowable, it appears that there will be no change in the waterflood project area as the result of drilling any of these wells as each of the wells will be the second well on a 40-acre tract already within the project area. The project allowable will, accordingly, be increased by 3 x 14, or 42 barrels.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/DSH/ir

cc: Oil Conservation Commission - Artesia, New Mexico
U. S. Geological Survey - Artesia, New Mexico
Mr. Frank Irby, State Engineer Office, Santa Fe, N. Mex.

dearnley-meier reporting services, inc.

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

1120 SIMMS BLDG. • P. O. BOX 1092 • PHONE 243.6691 • ALBUQUERQUE, NEW MEXICO



BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
March 8, 1967

EXAMINER HEARING

IN THE MATTER OF:

Application of Newmont Oil Company for a
waterflood expansion and unorthodox well
locations, Eddy County, New Mexico.

Case No. 3534

BEFORE: DANIEL S. NUTTER, Examiner

TRANSCRIPT OF HEARING

NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARING

SANTA FE, NEW MEXICO

REGISTERHEARING DATE MARCH 8, 1967TIME: 9 A.M.

NAME:	REPRESENTING:	LOCATION:
<i>Gregg L. Hays</i>	<i>Texas Pacific Oil Co.</i>	<i>Midland, Tex.</i>
<i>Ron Freels</i>	<i>Texas Pacific Oil Co.</i>	<i>Dallas, Texas</i>
<i>Jack Willock</i>	<i>Tenneco Oil</i>	<i>Durango, Colo.</i>
<i>H. DALE HOLLOWAY</i>	<i>TEXAS PACIFIC OIL</i>	<i>MIDLAND, TEXAS</i>
<i>N. P. Hume</i>	<i>RW Byram</i>	<i>Santa Fe</i>
<i>John D. Russell</i>	<i>Union - T. P. Hume</i>	<i>Roswell, N.M.</i>
<i>Herman L. Lethbride</i>	<i>Newmont Oil Co.</i>	<i>Artesia, N.M.</i>
<i>Chas. F. Hume</i>	<i>Apache Corp.</i>	<i>Reserve</i>
<i>Sandy Hume</i>	<i>Apache Corp.</i>	<i>Midland</i>
<i>Alan B. Emon</i>	<i>" "</i>	<i>Tulsa</i>
<i>H. F. Straw</i>	<i>Texaco Inc.</i>	<i>Farmington</i>
<i>Boyle Kelly</i>	<i>Midland Oil & Ref.</i>	<i>S.F.</i>
<i>Jim Barrett Jr.</i>	<i>Briggs Co.</i>	<i>Albany</i>
<i>Charles L. Hume</i>	<i>Briggs Co.</i>	<i>Midland, Texas</i>
<i>Jack Hume</i>	<i>Apache</i>	<i>Midland, Texas</i>
<i>M. L. Armstrong</i>	<i>Yates Pet.</i>	<i>Artesia, N.M.</i>
<i>Charles L. Browning</i>	<i>Union Oil & Calif.</i>	<i>Midland, Texas</i>

MR. NUTTER: The Hearing will come to order, please.
The first case this morning will be Case 3534.

MR. HATCH: Application of Newmont Oil Company for
a waterflood expansion and unorthodox well locations, Eddy
County, New Mexico.

MR. RUSSELL: I am John F. Russell, Roswell, New
Mexico, representing the Applicant. I have one witness.

(Witness sworn.)

HERMAN J. LEDBETTER, called as a witness
herein, having been first duly sworn, was examined and
testified as follows:

DIRECT EXAMINATION

BY MR. RUSSELL:

Q Will you please state your name, address, occupation,
by whom you are employed, and in what capacity?

A Herman Ledbetter, Artesia, New Mexico, employed by
Newmont Oil Company as Division Superintendent.

Q And you have previously qualified to testify before
the Commission and the Examiner, have you not?

A Yes, sir.

Q Are you familiar with the application of Newmont Oil
Company filed in Case 3534?

A Yes, sir.

Q Will you please explain what that application seeks?

A We are requesting Commission approval of three unorthodox locations. Two of these locations are producing oil wells in a waterflood and one of the unorthodox locations is an injection well in the waterflood, in the West Loco Hills unit waterflood.

(Whereupon, Applicant's Exhibit A marked for identification.)

Q (By Mr. Russell) Referring you to what has been marked as Exhibit A, does that reflect the waterflood project itself, the boundaries?

A Yes, sir.

Q That has previously been approved by the Commission, has it not?

A Yes, sir.

Q Now, will you briefly explain how, or the reason that necessitates these unorthodox locations?

A In the original development of the field, the wells were not always drilled on the center of the 40-acre pattern, and then in development of the pattern to most effectively flood this field, we have had to incorporate as many wells as we could, we have wound up with some patterns that were difficult to drill within the regularly spaced locations, and still be the most effective wells.

Q Now, two of these are injection wells and one is a

production well that you propose to drill, is that correct?

A Two are producing wells and one is injection.

Q Will you locate each of these three wells for the Examiner and from the Exhibit A, refer to the location and why ~~they~~ have to be located where you propose?

A We'll start with the well we have marked as 37-3, in about the center of the map. This well, the proposed location is 1190 feet from the north line, and 150 feet from the east line of Section 11, 18, 29; in order to flood out this area, and in a reasonable length of time, we have had to convert as many injection wells in the area as we could and wound up needing a production well at this location to be approximately equally spaced from these.

Q It will be surrounded by four injection wells, is that correct?

A Yes. And the next one is the one marked on the map as 8A-3.

Q What section is that in?

A In Section 10, and it's located 1200 feet from the west line and 2600 feet from the north line. It will be Section 10, 18 South, 29 East. This is -- If you will notice, inside this pattern there are already three producing wells but none of the three are centrally located to the injection well, and we feel like that in order to effectively drain

this pattern we need to locate a well centrally to all of the injection wells.

The third well, Number 17-11, is an injection well and the proposed location of this well is a hundred seventy-five feet from the south line, and 1500 feet from the east line, Section 10, 18 South, 29 East.

Q And that one completes the pattern for two producing wells which are each in the center of four injection wells, is that correct?

A Yes, sir.

Q I refer you to what has been marked Applicant's Exhibits 2, 3 and 4, and ask you first to identify each by name and number.

(Whereupon, Applicant's Exhibits 2, 3, and 4 marked for identification.)

A They are diagrammatic sketches of the proposed method of completing these wells. Where we show the point --

Q Let me ask you this. ~~There~~ is a separate exhibit for each of the three wells in question, is that correct?

A Yes, sir.

Q They are all basically the same basic proposed method of completion, is that correct?

A Yes, in all wells. Where we plan to set the eight and five-eighths inch surface casing barely into the top of the

salt zone and cement with fifty sacks of cement. It also would be drilled approximately forty or fifty feet through the Loco Hills pay and set four and a half casing to bottom with one hundred sacks of cement.

Q How is this water being injected into the formation?

A In the proposed injection well, why, we would run new pipe and we would perforate the proposed injection zone and we propose to inject down the casing.

Q This is the same type of injection which is being carried out in the remainder of the flood, is that correct?

A Yes, sir. This is in the old wells in the remainder of the flood, the casing is normally tested but we feel like with the new pipe --

Q This will all be new casing which will be placed in the new wells?

A Yes, sir.

Q Do you feel that the granting of your application will protect correlative rights and prevent waste and result in the greatest ultimate recovery of oil?

A Yes, sir.

Q Do you have any further comments you would like to make in connection with your application or any of these exhibits?

A No.

MR. RUSSELL: At this time, I would like to offer Applicant's Exhibits 1 through 4 into evidence.

MR. NUTTER: Mr. Russell, I believe we referred to the first one as Exhibit A, so it will probably be Exhibits A, 2, 3, and 4.

MR. RUSSELL: Right.

MR. NUTTER: Exhibits A and 2, 3, and 4, will be admitted in evidence.

MR. RUSSELL: I have no further questions.

MR. NUTTER: Four and a half will be cemented with fifty sacks of cement; the exhibits indicate 150.

A I would like to change the exhibit at this time to 100 sacks, if it would be permissible.

MR. NUTTER: This will call for a change in the calculated top of the cement?

A Yes, it will probably reduce it by one-third.

MR. NUTTER: We have a letter in our file from the State Engineer's Office in which he concurred with your casing and cement program. What program was offered to him?

A Well, if this has been approved by the State Engineer, it would be very little difference. I would like to change my testimony that we will cement with 150 --

MR. NUTTER: 150 and then the calculated top would remain the same --

MR. RUSSELL: That is the same basic sketch that was submitted to the State Engineer?

A Yes.

MR. NUTTER: You said in the old wells in this area which had been converted to water injection, the casing had been tested prior to using the wells for injection purposes, but that you wouldn't test them because this would be new casing?

A Yes.

Q Normally, in running the casing you would have a pressure test to at least test your casing and cement job?

A Yes.

Q So you would conduct a normal pressure test on this casing?

A Yes, sir. We would test the casing to about, in this case, about 1800 pounds; if it was an old casing we'd normally inject it below the 1500 pounds in this field.

MR. NUTTER: What is your average injection pressure in here now?

A In this area we're operating at about 1250 to 1300 pounds.

MR. NUTTER: Do you have any injection wells that go higher than that?

A The highest, probably the highest injection pressure



in this flood is probably about 1350 now.

MR. NUTTER: Are there any further questions of Mr. Ledbetter? If not, the witness may be excused.

(Witness excused.)

MR. HATCH: I have a letter from the State Engineer. "The wells seem to be completed in the same manner as those previously approved in this area and the application indicates that the equipment and operation will be the same as those previously approved. Therefore, this office offers no objection to the granting of the application." Dated March 2, 1967 and signed by Frank E. Irby.

MR. NUTTER: Thank you, Mr. Hatch. If there is nothing else in this case, we will take the case under advisement.

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SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

1120 SIMAS BLDG. • P.O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO 87101
1205 FIRST NATIONAL BANK EAST • PHONE 256-1294 • ALBUQUERQUE, NEW MEXICO 87108



I N D E X

WITNESS

PAGE

HERMAN J. LEDBETTER

Direct Examination by Mr. Russell

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E X H I B I T S

NUMBER	MARKED FOR IDENTIFICATION	OFFERED	ADMITTED
App. Ex. A	3	7	7
App. Ex. 2	5	7	7
App. Ex. 3	5	7	7
App. Ex. 4	5	7	7

dearnley-meier reporting service, inc.

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

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PAGE

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STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

I, ADA DEARNLEY, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me; and that the same is a true and correct record of the said proceedings, to the best of my knowledge, skill and ability.

Witness my Hand and Seal this 9th day of March, 1967.

Ada Dearnley
NOTARY PUBLIC

My Commission Expires:

June 19, 1967.

I do hereby verify that the foregoing is a complete record of the proceedings of the Examiner hearing of Case No. 3534 heard by me on 3/8, 1967.
James Examiner
New Mexico Oil Conservation Commission

GOVERNOR
DAVID F. CARGO
CHAIRMAN

State of New Mexico



LAND COMMISSIONER
GUYTON B. HAYS
MEMBER

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

P. O. BOX 2088
SANTA FE

Mr. John Russell
Attorney at Law
Post Office Drawer 640
Roswell, New Mexico

Re: Case No. 3534
Order No. R-3204
Applicant:

Newmont Oil Company

Dear Sir:

Enclosed herewith is a copy of the above-referenced Commission order recently entered in the subject case. Letter pertaining to conditions of approval and maximum allowable to follow.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/ir

Carbon copy of order also sent to:

Hobbs OCC x
 Artesia OCC x
 Aztec OCC
 State Engineer x

Other

Docket No. 7-67

DOCKET: EXAMINER HEARING - WEDNESDAY - MARCH 8, 1967

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, Alternate Examiner:

CASE 3533: Application of Union Oil Company of California for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water in the Devonian formation in its Continental Nix Well No. 24-1, located 330 feet from the North line and 660 feet from the West line of Section 24, Township 18 South, Range 35 East, Reeves-Devonian Pool, Lea County, New Mexico.

CASE 3534: Application of Newmont Oil Company for a waterflood expansion and unorthodox well locations, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand its West Grayburg No. 4 Sand Waterflood Project, Loco Hills Pool, by drilling a water injection well at an unorthodox location 175 feet from the South line and 1500 feet from the East line of Section 10, and further, to drill two production wells at unorthodox locations 2600 feet from the North line and 1200 feet from the West line of Section 10, and 1190 feet from the North line and 150 feet from the East line of Section 11, all in Township 18 South, Range 29 East, Eddy County, New Mexico.

CASE 3531 (Readvertised)

Application of Texas Pacific Oil Company for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the South Eunice Pool by the injection of water into the Seven Rivers-Queen formations through six wells in Sections 5, 8 and 9, Township 22 South, Range 36 East, Lea County, New Mexico.

CASE 3535: Application of Pennzoil Company for the creation of a new pool and for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new oil pool for Lower Wolfcamp production for its Gallagher State Well No. 1, located in Unit A of Section 3, Township 17 South, Range 34 East, Lea County, New Mexico, and for the promulgation of special pool rules therefor, including a provision for 80-acre spacing.

Examiner Hearing March 8, 1967

CASE 3536: Application of Tenneco Oil Company for two unorthodox gas well locations, San Juan and Rio Arriba Counties, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox Blanco-Mesaverde Gas Pool location of its Dawson Federal Well No. 1, located 835 feet from the North line and 1150 feet from the West line of Section 26, Township 27 North, Range 8 West, San Juan County, and its Jicarilla "C" Well No. 8, located 1850 feet from the North line and 790 feet from the West line of Section 13, Township 26 North, Range 5 West, Rio Arriba County, New Mexico.

CASE 3206 (Reopened)

In the matter of Case No. 3206 being reopened pursuant to the provisions of Order No. R-2874-A which continued the special rules and regulations for the High Plains-Pennsylvanian Pool, Lea County, New Mexico, for an additional year. All interested parties may appear and show cause why the pool should not be developed on 80-acre or 40-acre spacing units.

CASE 3537: Application of Texaco Inc. for a waterflood project, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the Bisti Lower-Gallup Oil Pool by the injection of water into the Lower Gallup formation through its Northeast Bisti Unit Well No. 3 located in Unit O of Section 15, Township 25 North, Range 11 West, San Juan County, New Mexico.

ir/

LAW OFFICES OF
JOHN F. RUSSELL
SUITE 1010 SECURITY NATIONAL BANK BUILDING
P. O. DRAWER 640
ROSWELL, NEW MEXICO 88201

TELEPHONE 622-4641
AREA CODE 505

February 15, 1967

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

Dear Miss Rodriguez:

I transmit herewith an Application of Newmont Oil Company
to be set for hearing before an Examiner.

The exhibits will be forwarded within the next week.

Very truly yours,

John F. Russell
John F. Russell

JFR/wa
1 Enc:
App. (trip)

cc: Mr. Herman Ledbetter w/enc.
Mr. Frank Irby w/enc.

DOCKET MAILED

Date 2-24-67

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF)
NEWMONT OIL COMPANY FOR AN ORDER)
AUTHORIZING THE DRILLING OF TWO)
PRODUCTION WELLS AT UNORTHODOX)
LOCATIONS IN ITS WEST GRAYBURG NO. 4)
SAND UNIT WATERFLOOD PROJECT IN THE)
LOCO HILLS POOL, EDDY COUNTY, NEW)
MEXICO, ONE WELL TO BE LOCATED 1,190)
FEET FROM THE NORTH LINE AND 150 FEET)
FROM THE EAST LINE OF SECTION 11,)
TOWNSHIP 18 SOUTH, RANGE 29 EAST, AND)
THE OTHER TO BE LOCATED 1,200 FEET FROM)
THE WEST LINE AND 2,600 FEET FROM THE)
NORTH LINE OF SECTION 10, TOWNSHIP 18)
SOUTH, RANGE 29 EAST, AND TO DRILL A WATER)
INJECTION WELL AT AN UNORTHODOX LOCATION)
175 FEET FROM THE SOUTH LINE AND 1,500)
FEET FROM THE EAST LINE OF SECTION 10,)
TOWNSHIP 18 SOUTH, RANGE 29 EAST.)
-----)

No. 3534

APPLICATION

COMES NOW Applicant, Newmont Oil Company, by its attorney,
John F. Russell, and states:

1. Applicant is the operator of its West Grayburg No. 4
Sand Waterflood Project in the Loco Hills Pool, Eddy County,
New Mexico, authorized by Order R-2178-C, entered in Case No. 2805.

2. Applicant seeks to drill two production wells
to be located at unorthodox locations as follows:

(a) 1,190 feet from the North line and 150 feet
from the East line of Section 11, Township 18 South, Range 29
East, Eddy County, New Mexico;

(b) 1,200 feet from the West line and 2,600 feet
from the North line of Section 10, Township 18 South, Range
29 East, Eddy County, New Mexico.

3. Applicant also seeks to drill a water injection
well to be located at an unorthodox location 175 feet from the
South line and 1,500 feet from the East line of Section 10,

Township 18 South, Range 29 East, Eddy County, New Mexico.

4. Applicant attaches hereto, marked Exhibit "A", a plat of its waterflood project showing the location of the proposed producing wells and injection well and the approved pattern for its water injection wells.

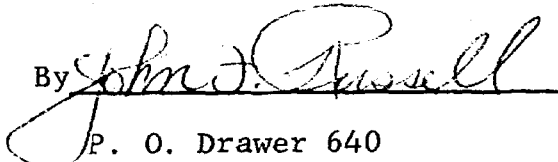
5. Applicant attaches hereto, marked Exhibit "B", a diagrammatic sketch of the proposed wells with anticipated depth intervals.

6. The unorthodox locations sought by Applicant are necessary to maintain a uniform pattern and to prevent waste and protect correlative rights.

WHEREFORE, Applicant requests the Commission to set this matter down for hearing before an Examiner, to publish its notice as provided by law, and after hearing, to issue its order authorizing the drilling of the production well as prayed for herein.

Respectfully submitted,

NEWMONT OIL COMPANY

By  P. O. Drawer 640
Roswell, New Mexico

Attorney for Applicant

DATED: February 15, 1967

LAW OFFICES OF
JOHN F. RUSSELL
SUITE 1010 SECURITY NATIONAL BANK BUILDING
P. O. DRAWER 640
ROSWELL, NEW MEXICO 88201

TELEPHONE 622-4641
AREA CODE 505

February 21, 1967

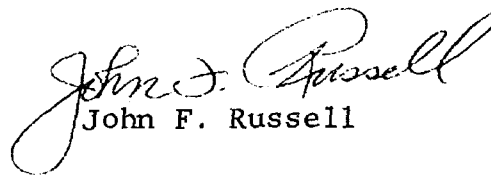
Miss Ida Rodriguez
New Mexico Oil Conservation
Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Newmont Oil Company Application
Dated: 2/15/67

Dear Miss Rodriguez:

I now transmit three sets of exhibits to go with
the Application of Newmont Oil Company which was forwarded
to you under date of February 15, 1967, and which has been
set for hearing before an Examiner on March 8.

Very truly yours,


John F. Russell

JFR/wa
1 Enc:
Exhibit (trip)

cc: Mr. Frank Irby w/enc.



STATE OF NEW MEXICO

STATE ENGINEER OFFICE

SANTA FE

S. E. REYNOLDS
STATE ENGINEER

March 2, 1967

3534
ADDRESS CORRESPONDENCE TO:
STATE CAPITOL
SANTA FE, NEW MEXICO 87501

Mr. A. L. Porter, Jr.
Secretary-Director
Oil Conservation Commission
Santa Fe, New Mexico

Dear Mr. Porter:

Reference is made to the application of Newmont Oil Company which seeks authority to drill 2 production wells and 1 water injection well at an unorthodox location. The injection well is proposed in Sec. 10, T. 18 S., R. 29 E., in Eddy County. Applicant's Exhibit B includes a diagrammatic sketch of the proposed injection well in addition to sketches of the injection wells proposed. As shown on the diagrammatic sketch, the wells seem to be completed in the same manner as those previously approved in this area and the application indicates that the equipment and operation will be the same as those previously approved. Therefore, "this office offers no objection to the granting of the application."

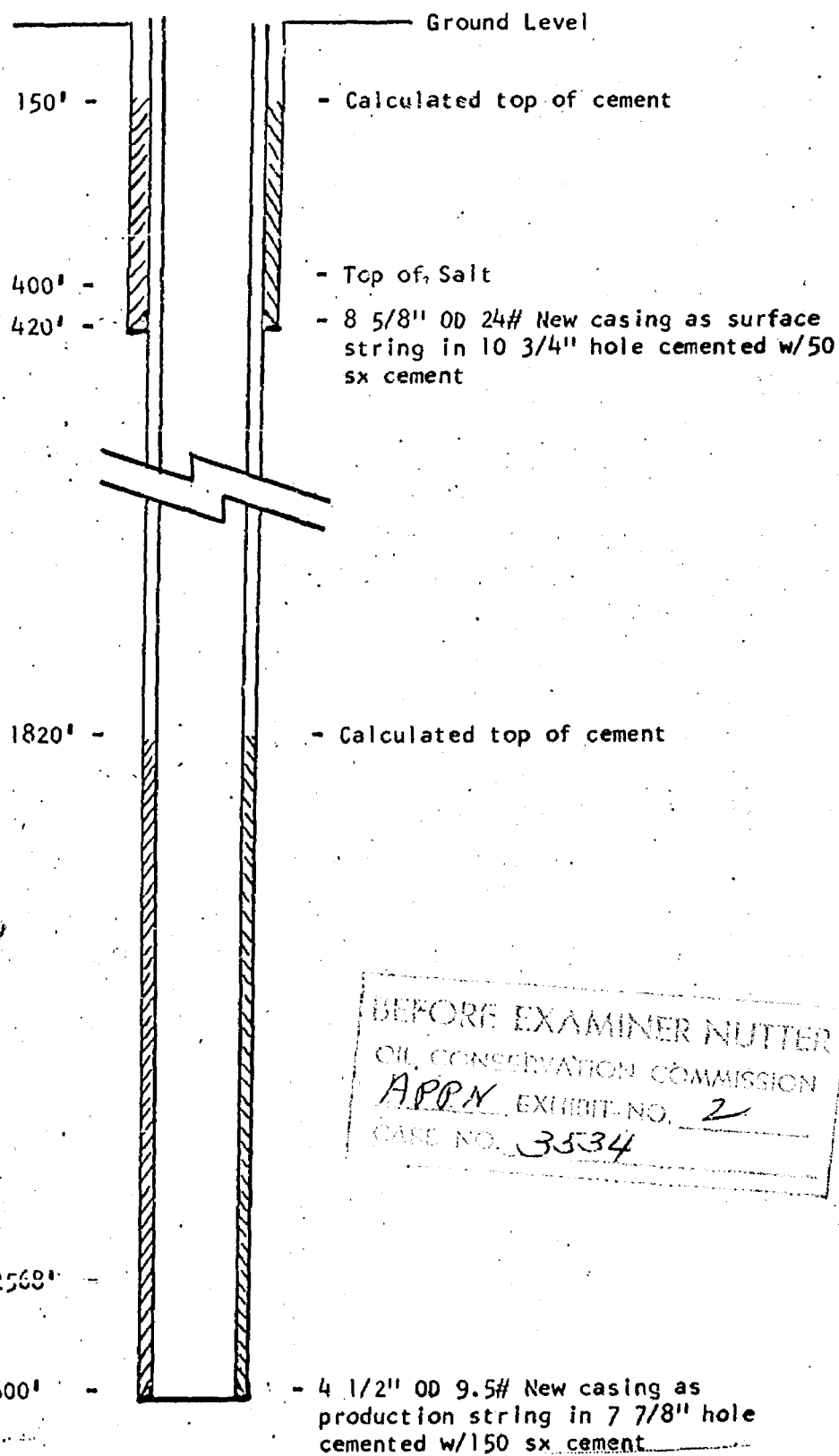
ma
cc-F. H. Hennighausen
John F. Russell

Yours truly,

S. E. Reynolds
State Engineer

By: *Frank E. Irby*
Frank E. Irby
Chief
Water Rights Div.

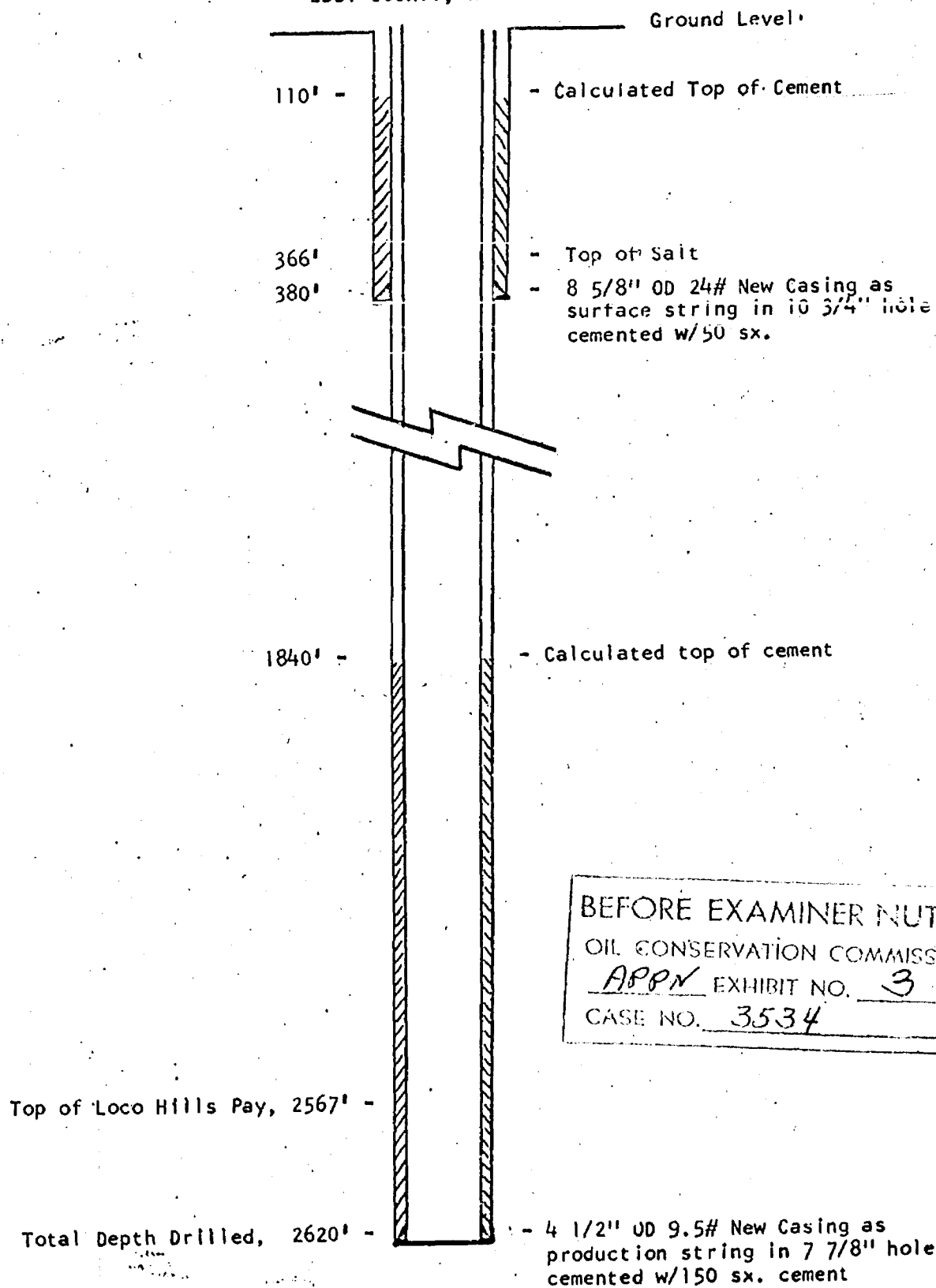
DIAGRAMMATIC DESIGN OF PROPOSED WELL
 NEWMONT OIL COMPANY
 WEST LOCO HILLS UNIT WELL 17-11
 175' FSL 1500' FEL Sec. 10-18S-29E
 EDDY COUNTY, NEW MEXICO



*Revised 11/1/78
 Newmont Oil Co.
 175' FSL 1500' FEL
 Sec. 10-18S-29E*

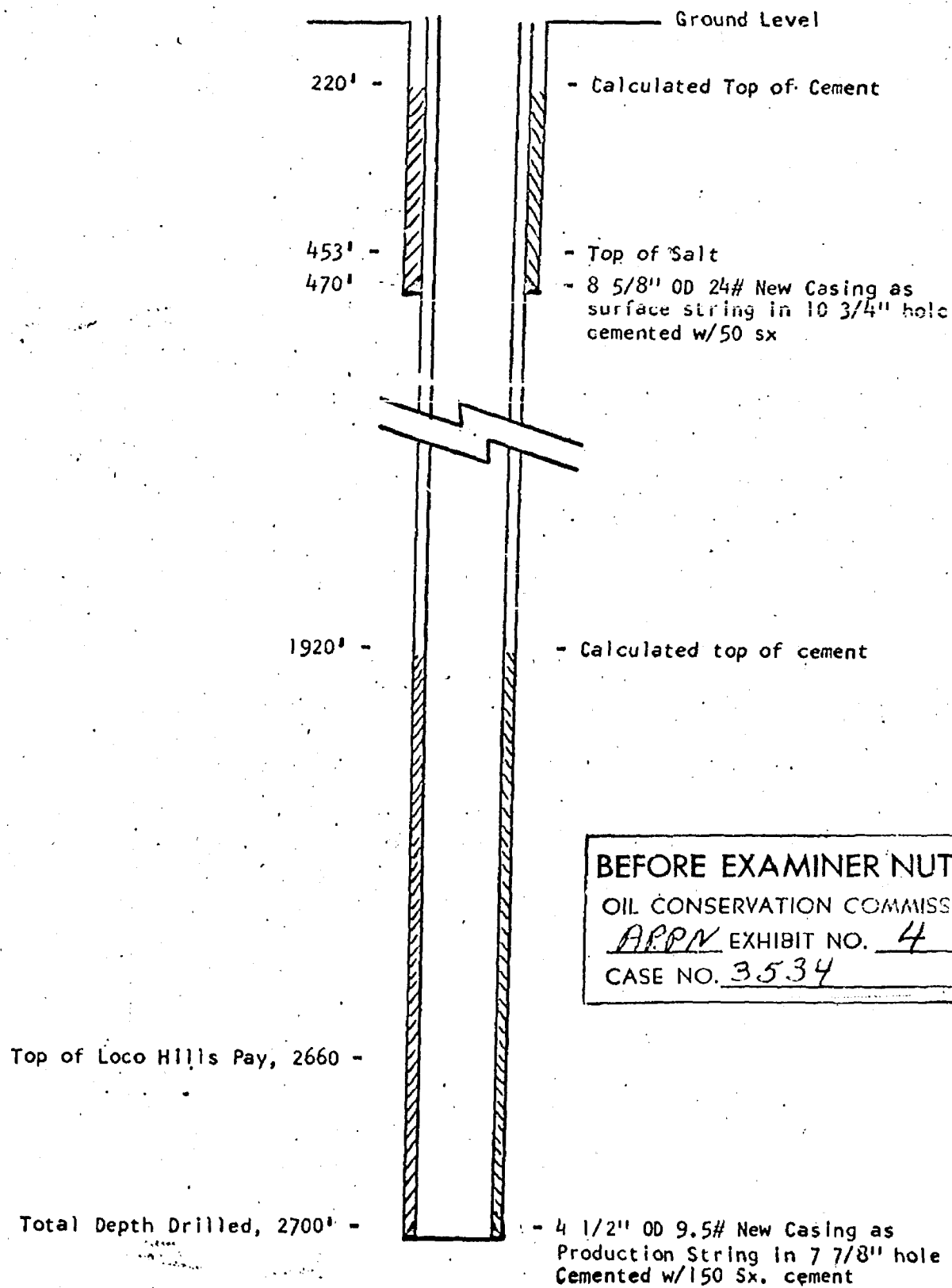
BEFORE EXAMINER NUTTER
 OIL CONSERVATION COMMISSION
 APPN. EXHIBIT NO. 2
 CASE NO. 3534

DIAGRAMMATIC DESIGN OF PROPOSED WELL
 NEWMONT OIL COMPANY
 WEST LOCO HILLS UNIT WELL 8A-3
 2600' FNL 1200' FWL Sec. 10-18S-29E
 EDDY COUNTY, NEW MEXICO



BEFORE EXAMINER NUTTER
 OIL CONSERVATION COMMISSION
 APPN EXHIBIT NO. 3
 CASE NO. 3534

DIAGRAMMATIC DESIGN OF PROPOSED WELL
 NEWMONT OIL COMPANY
 WEST LOCO HILLS UNIT WELL 37-3
 1190' FNL 150' FEL Sec. 11-18S-29E
 EDDY COUNTY, NEW MEXICO



BEFORE EXAMINER NUTTER
 OIL CONSERVATION COMMISSION
 APPN EXHIBIT NO. 4
 CASE NO. 3534