



HUMBLE OIL & REFINING COMPANY

DENVER, COLORADO 80201

CENTRAL REGION

P. O. BOX 120

DENVER AREA

WILLIAM G. ODELL
ATTORNEY

February 13, 1964

9
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Mr. A. L. Porter, Jr.
Secretary-Director
New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Dear Mr. Porter:

Enclosed is Humble's application filed in triplicate requesting administrative approval of the expansion of the Northwest Cha Cha-Gallup Pressure Maintenance Project located in San Juan County, New Mexico. Said application requests an expansion of the project area and permission to convert two additional producing wells to water injection service.

This application is pursuant to Rule 11 of Order No. R-2154 of the Commission.

If we may furnish you with any additional data with respect to this application, please advise.

Thank you very much for your consideration in this matter.

Very truly yours,

HUMBLE OIL & REFINING COMPANY

William G. Odell
William G. Odell

WGO:mg
Enclosures (3)
cc: Mr. Howard C. Bratton



Roy Owen & Company

General Enterprises • Investments • Industrial Operations

325-2201

SUITE 224 PETROLEUM PLAZA BLDG.

P. O. BOX 838

FARMINGTON, NEW MEXICO

February 20, 1964

Humble Oil & Refining Company
Post Office Box 126
Denver, Colorado 80201

Attn. Mr. William G. Odell

Re: Application for Ap-
proval by Oil Conser-
vation Comm, expansion
of NW Cha Cha Pressure
Maintenance Project

Gentlemen:

We wish to acknowledge receipt of the referenced application directed to The Oil Conservation Commission, State of New Mexico. We wish to advise that we do not intend to contest the approval of such application since it is not our desire to impede the progress of your project or delay its consideration for approval. It does seem however, that we could easily show that our correlative rights are not protected.

Since we have only the one well interest, our risk is immeasurably greater than yours and the other owners joining with you. With the exception of Southwest Production Co. with three wells, all other owners share in unitization. We must, on the other hand, look to one well with a controlled allowable to produce income to our interest, with no control on production and injection. It naturally follows that you will operate on a basis of what is best for the unit, which could very well not be in our best interest.

The offer to sell which we made several months ago was at a price less than the correlative price that you are being asked to share for the Brimhall Unit well.

We still feel that the problems of preventing waste and protecting correlative rights could be

Humble Oil & Refining Company, page 2 of 2, Feb. 20, 64

best solved by your purchase of our interest.

With appreciation for your past considerations and patience with our contentions, we are,

Very truly yours,

ROY OWEN & COMPANY

By


Roy Owen

RO/ms

CC: ✓ New Mexico Oil Conservation Commission
Post Office Box 371, Santa Fe, New Mexico

New Mexico Oil Conservation Commission
1000 Rio Brazos Road, Aztec, New Mexico

Pan American Petroleum Corporation
Post Office Box 480, Farmington, New Mexico

El Paso Natural Gas Products Company
Post Office Box 1560, Farmington, New Mexico

ILLEGIBLE

STATE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

APPLICATION OF HUMBLE OIL & REFINING
COMPANY FOR AN ORDER APPROVING THE
EXPANSION OF ITS NORTHWEST CHA CHA-
GALLUP PRESSURE MAINTENANCE PROJECT,
SAN JUAN COUNTY, NEW MEXICO, BY
EXPANDING THE PROJECT AREA AND BY
CONVERTING TWO ADDITIONAL PRODUCING
WELLS TO WATER INJECTION SERVICE.

Case No. _____

Order No. _____

TO: THE HONORABLE OIL CONSERVATION COMMISSION, STATE OF NEW MEXICO
AND THE SECRETARY-DIRECTOR THEREOF:

COMES NOW, the Applicant herein, Humble Oil & Refining Company, a
Delaware corporation, authorized to do business in the State of New Mexico,
as Unit Operator of the Northwest Cha Cha-Gallup Unit and hereby makes
application to the New Mexico Oil Conservation Commission and the Secretary-
Director thereof for an order authorizing the expansion of the project area
of the Northwest Cha Cha-Gallup Unit and the conversion of two additional
producing wells to water injection service. This application is made
pursuant to Rule 11 of the said Rules and Regulations relating to the
Northwest Cha Cha-Gallup Pressure Maintenance Project as promulgated in
Order No. R-2154 of the Commission. In support hereof, Applicant respect-
fully alleges and states:

I.

On January 3, 1962, this Commission entered its Order No. R-2154
in this case, which said order authorized Applicant to institute a Pressure
Maintenance Project in the Cha Cha-Gallup Pool, San Juan County, New Mexico,
by injecting water into the Gallup formation in certain wells described in
paragraph 1 of said order in accord with the Special Rules and Regulations
governing the operation of said project, all as set forth in Rules 1 through
11, inclusive, promulgated in said order.

II.

Rule 11 of said order provides that conversion of additional pro-
ducing wells to water injection service and the expansion of the project
area shall be accomplished only after approval thereof by the Secretary-

Director of the Commission, such permission to be obtained according to the procedure prescribed in said Rule 11.

III.

Applicant hereby requests that the project area established by Order No. R-2154 be expanded to include the area described as follows:

Township 29 North, Range 14 West, T.M.P.M.

Section 17: That portion of the West Half ($W\frac{1}{2}$) lying North of the mid-channel of the San Juan River and that portion of the Southeast Quarter ($SE\frac{1}{4}$) lying North of the mid-channel of the San Juan River.

Section 16: South Half of the Northwest Quarter ($S\frac{1}{2}NW\frac{1}{4}$) and that portion of the Southwest Quarter ($SW\frac{1}{4}$) lying North of the mid-channel of the San Juan River and that portion of the North Half of the Southeast Quarter ($N\frac{1}{2}SE\frac{1}{4}$) lying North of the mid-channel of the San Juan River.

IV.

Applicant further requests authority to convert into water injection and to operate as water injection wells, those certain wells now producing from the Gallup formation as follows:

<u>Well</u>	<u>Location</u>
Northwest Cha Cha Unit Well No. 34-16	$SW\frac{1}{4}SE\frac{1}{4}$ of Section 16-29N-14W
El Paso Natural Gas Products Company Brimhall No. 1 Well	$NE\frac{1}{4}SE\frac{1}{4}$ of Section 17-29N-14W

The Northwest Cha Cha Unit Well No. 34-16 is owned and operated by said unit and lies within the presently existing project area. Said unit is the owner of an interest in the El Paso Natural Gas Products Company Brimhall No. 1 Well and has the express consent of all other parties interested therein for the proposed water injection.

V.

In support of this application, Applicant attaches hereto as Exhibit "A" a plat showing:

1. The present project area of the Northwest Cha Cha-Gallup Unit Pressure Maintenance Project and the proposed expansion of said project area.
2. The location of the proposed wells more particularly described above in Section IV which it is proposed to convert to water injection wells.
3. All wells completed in the Gallup formation located within the projected area and the proposed expansion thereof.
4. All oil and gas operations on leases offset the proposed expansion area and the proposed injection wells.

VI.

Further in support of this application and as required by said Order No. R-2154, Applicant attaches hereto as Exhibits "B" and "C" schematic diagrams of the Northwest Cha Cha-Gallup Unit Well No. 34-16 and the El Paso Brimhall No. 1 Well, which said diagrams describe fully the casing, tubing, perforated intervals, and depth of said wells and further showing that the injection of water will be confined to the Gallup formation in said wells.

VII.

Further in support of this application and as required by Order No. R-2154, Applicant attaches hereto as Exhibit "D" proof of service of a complete copy of this application on all operators of oil and gas leasehold estates offsetting the proposed injection wells and the date of such service.

VIII.

Applicant attaches hereto for informational purposes as Exhibits "E" and "F" induction-electric well surveys run in the Northwest Cha Cha-Gallup Unit Well No. 34-16 and the El Paso Brimhall No. 1 Well.

IX.

Further in support of this application, Applicant attaches hereto as Exhibit "G" a table indicating with respect to the proposed injection wells, the zones into which water will be injected into said wells, the kind of fluid to be injected into said wells, the anticipated daily amounts of water that will be injected into said wells, and the source of said water. Applicant will obtain water for injection into said wells from the San Juan River alluvium by means of wells which have heretofore been drilled adjacent to the bed of said river in Sections 15 and 16, Township 29 North, Range 14 West. Said water source wells have been tested and are capable of producing water in quantities sufficient to continue to supply water for injection into injection wells heretofore authorized in the Northwest Cha Cha-Gallup Pressure Maintenance Project and also in additional quantities sufficient to provide water for injection into the two additional injection wells as proposed herein.

X.

Further in support of this application, Applicant attaches hereto as Exhibit "H" Form C-116 issued by this Commission entitled "Gas-Oil Ratio Report" setting forth information with respect to all Northwest Cha Cha-Gallup Unit wells which have responded to the existing Pressure Maintenance Project heretofore authorized in Order No. R-2154.

XI.

Applicant believes and states that it will be in the interest of conservation and the prevention of waste to expand the project area of the Northwest Cha Cha-Gallup Pressure Maintenance program to include the lands more particularly described in Section III hereof and to convert the wells more particularly described in Section IV hereof to water injection service and to operate said wells as water injection wells as herein requested. Expansion of said project area and conversion of said wells is necessary to obtain the greatest ultimate recovery of oil and gas from the Gallup formation within the area.

WHEREAS, Applicant respectfully requests that an order be entered expanding said project area as herein requested and granting Applicant authority to convert the afore-described wells to water injection wells and operate the entire Pressure Maintenance Project and the wells located therein as heretofore authorized by this Commission and its Order No. R-2154 and according to all of the terms and provisions set forth in Special Rules and Regulations governing the operation of said project as contained in said order.

Respectfully submitted,

HUMBLE OIL & REFINING COMPANY

William G. Odell
Humble Oil & Refining Company
P. O. Box 120
Denver, Colorado 80201

Telephone: 534-1251

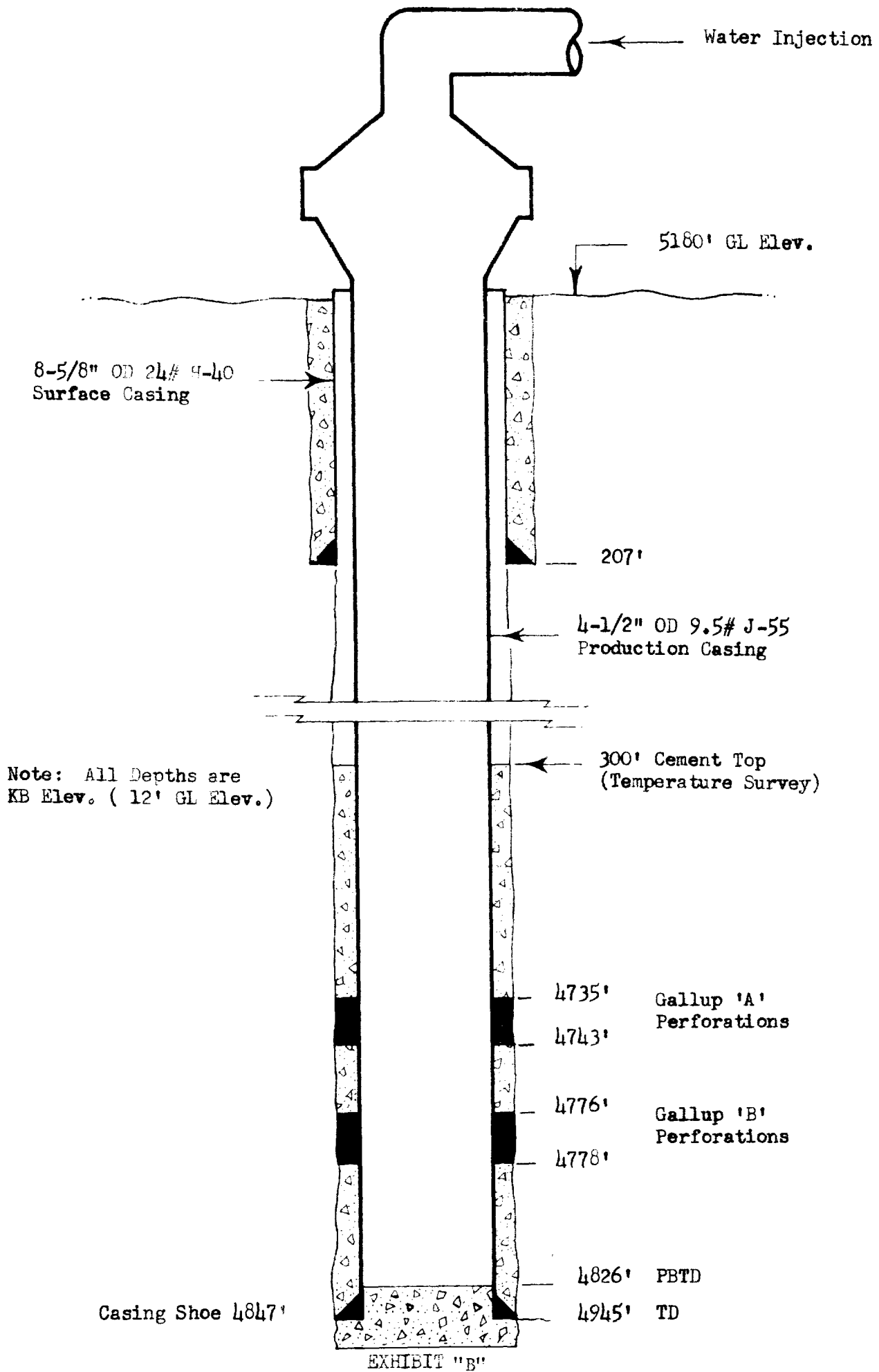
By

William G. Odell
Its Attorney

Howard C. Bratton
Hinkle, Bondurant, Bratton & Christy
600 Hinkle Building
Roswell, New Mexico

LARGE FORMAT
EXHIBIT HAS
BEEN REMOVED
AND IS LOCATED
IN THE NEXT FILE

SCHEMATIC DIAGRAM OF UNIT WELL NO. 34-16



To Application of Humble Oil & Refining Company
for
Approval of Expansion of Pressure Maintenance Project
Northwest Cha Cha Unit
San Juan County, New Mexico

SCHEMATIC DIAGRAM OF BRIMHALL NO. 1

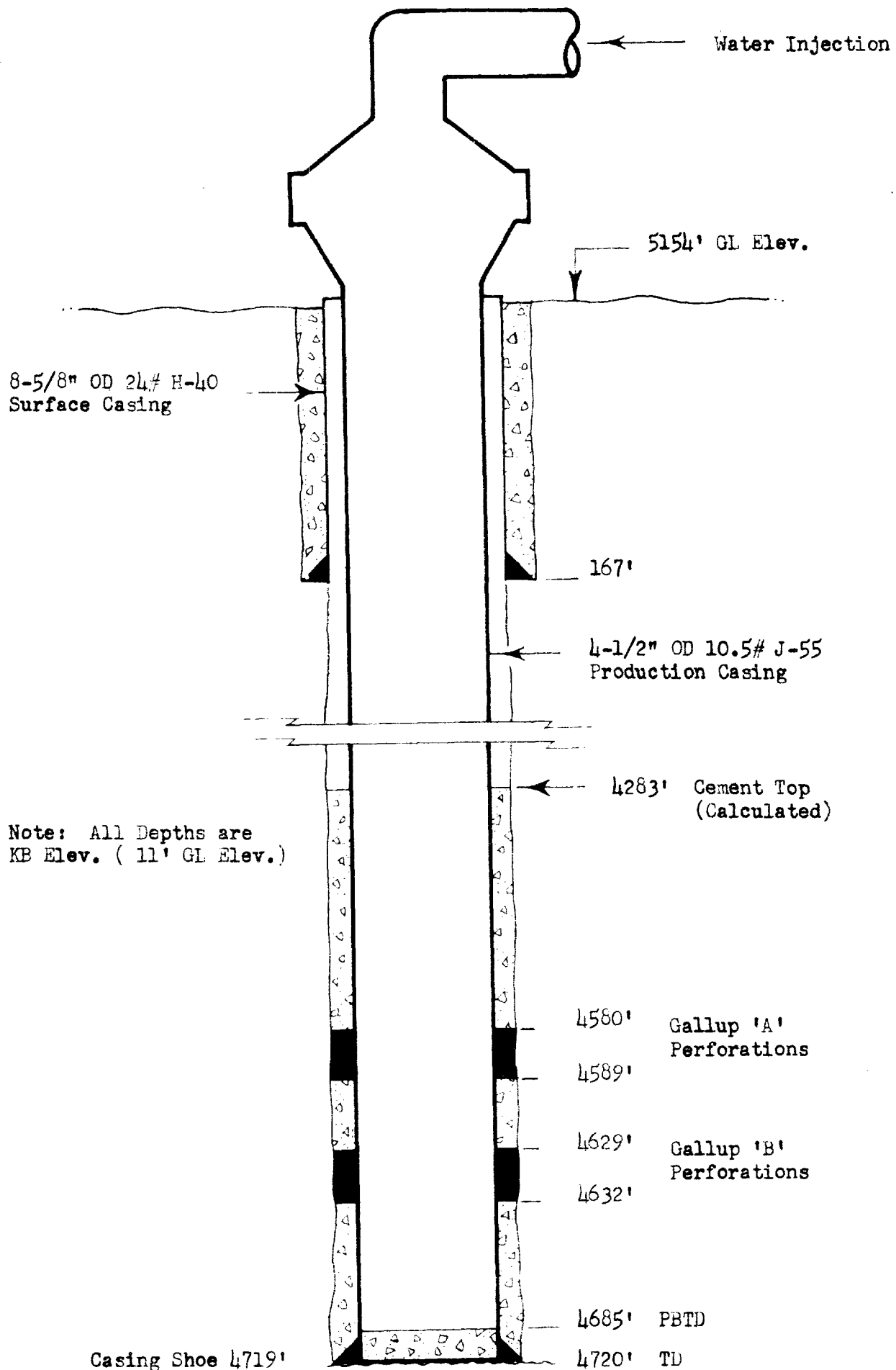


EXHIBIT "C"

To Application of Humble Oil & Refining Company
for
Approval of Expansion of Pressure Maintenance Project
Northwest Cha Cha Unit
San Juan County, New Mexico

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

APPLICATION OF HUMBLE OIL & REFINING
COMPANY FOR AN ORDER APPROVING THE
EXPANSION OF ITS NORTHWEST CHA CHA
GALLUP PRESSURE MAINTENANCE PROJECT,
SAN JUAN COUNTY, NEW MEXICO, BY
EXPANDING THE PROJECT AREA AND BY
CONVERTING TWO ADDITIONAL PRODUCING
WELLS TO WATER INJECTION SERVICE.

NOTICE AND PROOF OF SERVICE

To: Texaco, Inc.
P. O. Box 2100
Denver, Colorado

Pan American Petroleum Corporation
P. O. Box 480
Farmington, New Mexico

Pubco Petroleum Corporation
P. O. Box 1419
Albuquerque, New Mexico

El Paso Natural Gas Products Company
P. O. Box 1161
El Paso, Texas

Atlantic Refining Company
760 Petroleum Club
Denver, Colorado

Roy Owen
Petroleum Club Plaza
Farmington, New Mexico

Southwest Production Company
3108 Southland Center
Dallas, Texas

Please take notice that on the 11th day of February, 1964, Humble Oil & Refining Company did file with the New Mexico Oil Conservation Commission its application for an order approving the expansion of the project area of the Northwest Cha Cha-Gallup Pressure Maintenance Project, San Juan County, New Mexico, and for an order approving the conversion of two additional producing wells within the project area, as expanded, to water injection service. A copy of said application is served upon each of you herewith. This notice is given and Proof of Service hereinbelow made in support of said application and pursuant to the provisions of Rule 11(3) of the Special Rules and Regulations for the Humble Oil & Refining Company Cha Cha-Gallup Pressure Maintenance Project, which said rule is fully set forth in Order No. R-2154 in this case.

HUMBLE OIL & REFINING COMPANY

By William D. Odell

P. O. Box 120
Denver, Colorado

EXHIBIT "D"

TO APPLICATION OF HUMBLE OIL & REFINING COMPANY
FOR
APPROVAL OF EXPANSION OF PRESSURE MAINTENANCE PROJECT
NORTHWEST CHA CHA UNIT
SAN JUAN COUNTY, NEW MEXICO

PROOF OF SERVICE

WILLIAM G. ODELL, Affiant herein, being first duly sworn on oath deposes and says that on February 11, 1964, he did give notice of the application of Humble Oil & Refining Company described above to the parties listed above by sending a copy of the above notice, together with copies of the application and exhibits attached thereto (which said application and exhibits are exact copies of the application and exhibits filed with the Commission in this matter) by registered United States mail, at Denver, Colorado, addressed to the operators named above at the addresses set forth above.

William G. Odell
WILLIAM G. ODELL

Subscribed and sworn to before me this 11th day of February, 1964.

James A. Smith
Notary Public in and for the
State of Colorado
Residing at Denver

My commission expires:
September 13, 1965