

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

APPLICATION OF HONOLULU OIL CORPORATION FOR AN ORDER AUTHORIZING THE INJECTION OF WATER FOR PRESSURE MAINTENANCE AND SECONDARY RECOVERY PURPOSES INTO THE GALLUP FORMATION UNDERLYING APPLICANT'S NAVAJO LEASE IN THE HORSESHOE-GALLUP OIL POOL, SAN JUAN COUNTY, NEW MEXICO PURSUANT TO RULE 701 OF THE RULES AND REGULATIONS OF THE NEW MEXICO OIL CONSERVATION COMMISSION AND FOR THE PROMULGATION OF SPECIAL RULES GOVERNING THE OPERATION OF SAID PROJECT.

CASE NUMBER 21/16

TO THE HONORABLE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO:

Comes the Honolulu Oil Corporation, with a certificate of authority to do business in the State of New Mexico, and hereby makes application to the New Mexico Oil Conservation Commission for an order authorizing the injection of water for pressure maintenance and secondary recovery purposes into the Gallup formation underlying Applicant's Navajo lease embracing lands within the Horseshoe-Gallup Oil Pool, San Juan County, New Mexico, pursuant to Rule 701 of the Commission, and for the promulgation of special rules governing the operation of said project, and in support thereof respectfully shows:

Reference is made to application of Honolulu Oil Corporation in Case No. 2023 before the Oil Conservation Commission. That application was dismissed upon the request of Honolulu Oil Corporation. That application was identical to the following application, except for the rules requested. The exhibits referred to hereinbelow were attached to the application of Honolulu in Case No. 2023, and are not enclosed with this application, but reference is made to the previous application and the exhibits therein which are incorporated in this application by reference.

[Handwritten signature]

1. That there is attached hereto, made a part hereof, and for purposes of identification marked Exhibit "1", a plat showing the Navajo lease of applicant embracing lands within the Horseshoe-Gallup Oil Pool, together with the location of all wells drilled thereon and all wells drilled within a radius of two miles from the proposed injection well hereinafter referred to, which said proposed injection well located upon said lease is producing from the Gallup formation which is a member of the Mancos formation of Cretaceous age. Said Exhibit "1" also shows the location of the proposed injection well and the ownership of the respective leasehold interests within a radius of two miles from applicant's oil and gas lease.

2. That there is outlined in red on Exhibit "1" attached hereto, the proposed project area which is a part of the lands embraced in applicant's Navajo lease, and which embrace the following described lands, to-wit:

Township 21 North, Range 17 West, N.M.P.M.

Section 5: NW $\frac{1}{4}$, SE $\frac{1}{4}$
Section 6: NW $\frac{1}{4}$, SE $\frac{1}{4}$
Section 7: All
Section 8: All

containing 1920 acres, more or less.

3. That there is filed herewith and for purposes of identification marked Exhibit "2", an electrical log of the proposed injection well, more particularly described as follows:

Honolulu's No. 4 well --- SE $\frac{1}{4}$ SE $\frac{1}{4}$ Section 5.

4. With respect to a description of the proposed injection well casing program, applicant states that said proposed injection well now has thirty feet of surface pipe cemented to the surface and 4 $\frac{1}{2}$ or 5 $\frac{1}{2}$ casing cemented from top to bottom with perforations between approximately 1150 and 1160 feet.

5. Applicant proposes to inject water through the injection well above set forth into the Gallup-Sandstone producing formation

underlying the project area, the water to be injected at rates ranging between 75 barrels and 350 barrels per day per well.

Applicant proposes to obtain the water for injection purposes from Humble Oil & Refining Company's water Well No. 1 located in the NW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 10, Township 31 North, Range 17 West, N.M.P.M., and which is shown on Exhibit "1" attached hereto, and which said well is capable of producing water in quantities believed to be sufficient for the proposed pressure maintenance and secondary recovery project from the Morrison formation. That applicant has furnished the Office of the State Engineer with a description of said well, together with a water analysis report of the water which complies with Commission Memorandum No. 5-58 dated January 31, 1958.

6. That applicant is the sole owner of the oil and gas lease shown on Exhibit "1" attached hereto, and which embraces all of the proposed project area, and applicant believes that it will be in the interest of conservation and the prevention of waste to inaugurate a water injection program for pressure maintenance and secondary recovery purposes as soon as possible by the injection of water into the injection well above referred to, and that said project is in the interest of obtaining the greatest ultimate recovery of oil and gas from said formation.

7. Applicant respectfully requests that the area hereinabove described be designated as the project area, and that an allowable formula fixed therefor and in connection therewith requests that the special rules which were adopted for the Humble Oil & Refining Company pressure maintenance project in Order No. R-1745, Case No. 2024, be adopted for this project, changing only the description of the project area.

Applicant requests that this application be set down for hearing before an examiner at the earliest possible date.

Respectfully submitted,
HONOLULU OIL CORPORATION

By 
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