

DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1182

ALBUQUERQUE, N. M.
PHONE 243-6691

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
June 7, 1962

EXAMINER HEARING

IN THE MATTER OF:)

Application of Newmont Oil Company for)
approval to drill a water injection well,)
Eddy County, New Mexico. Applicant, in)
the above-styled cause, seeks permission)
to drill the State "A" Well No. 3, to be)
located 1295 feet from the South line and)
2615 feet from the East line of Section)
36, Township 17 South, Range 29 East,)
Eddy County, New Mexico, for use as a)
water injection well in the Loco Hills)
Pool Waterflood Project.)

Case 2577

BEFORE: Daniel S. Nutter, Examiner.

TRANSCRIPT OF HEARING

MR. NUTTER: We will call next Case 2577.

MR. MORRIS: Application of Newmont Oil Company for
approval to drill a water injection well, Eddy County, New
Mexico.

We'll call a fifteen-minute recess.

(Whereupon, a recess was taken.)

(Whereupon, Newmont's Exhibit
No. 1 was marked for iden-
tification.)



MR. NUTTER: The hearing will come to order, please.

MR. CAMPBELL: Jack Campbell, Campbell & Russell, Roswell, New Mexico. We have one witness, Mr. Darden.

(Witness sworn.)

FRANK DARDEN

called as a witness, having been first duly sworn, testified as follows:

DIRECT EXAMINATION

BY MR. CAMPBELL:

Q State your name, please. A Frank Darden.

Q Where do you live? A Fort Worth, Texas.

Q By whom are you employed and in what capacity?

A Newmont Oil Company as Manager of Operations.

Q What is your profession?

A Petroleum engineer.

Q Have you testified previously before the Commission or its Examiners as a petroleum engineer?

A I have.

MR. CAMPBELL: Are the witness's qualifications acceptable, Mr. Examiner.

MR. NUTTER: Yes, sir.

Q (By Mr. Campbell) Are you acquainted with the application of Newmont Oil Company in Case 2577?



A Yes.

Q I refer you to what has been identified as Applicant's Exhibit No. 1 in this case and ask you to point out to the Examiner what you are seeking here.

A We are seeking permission to drill an unorthodox location injection well in the Northwest corner of the Southwest of the Southeast Quarter of Section 36. The reason for this location is to protect correlative rights between the Fair Oil Company lease to the north and the Newmont Oil Company lease to the south of this line.

The drilling of this well was agreed to as a part of an overall lease line cooperation agreement made between Newmont, General American Oil Company, Ambassador Oil Company and Fair Oil Company. It is in connection with that agreement that we desire to drill this well to fulfill our obligation under that lease line cooperation agreement.

Q Have all the appropriate parties executed the lease line agreement?

A Yes, sir.

Q On May 8, 1962, you submitted a request to the Commission for administrative approval, or if administrative approval could not be obtained, you requested a hearing. In that letter of May 8 you set out the proposed casing program; for the record will you



indicate to the Examiner the casing program for this well, if approved?

A Yes, we plan to set 450 feet of 8-5/8" surface casing which will be to the top of the salt, and cement it with 50 sacks of cement. We then will set an oil string at the top of the Loco Hills sand that will be 4½", 9½ pounds J-55 casing, and the top of the sand is expected at approximately 2700 feet, and the oil string will be cemented with 100 sacks of cement.

Q On Exhibit No. 1 you have indicated a number of injection wells in this area. Is water now being injected into these wells?

A Yes, sir.

Q Is it your opinion that in order to prevent waste and protect correlative rights it's necessary that this injection well you are proposing be drilled at this time?

A It is. The well is designed primarily to back up the two producing wells which fit into this pattern and thereby prevent waste and effect maximum recovery, and, as I previously stated, it's also required as one of the conditions for our lease line cooperation with the other operators, and thereby is protecting correlative rights.

MR. CAMPBELL: That's all the questions I have. I would like to offer in evidence Applicant's Exhibit No. 1 in



this case.

MR. NUTTER: Exhibit No. 1 will be admitted in evidence.

(Whereupon, Newmont's Exhibit No. 1 was received in evidence.)

MR. NUTTER: Any questions of Mr. Darden?

CROSS EXAMINATION

BY MR. NUTTER:

Q The green injection wells are on injection at this time?

A Yes, sir.

Q And the red well in Exhibit 1 is the proposed well and the subject of this hearing?

A That's right.

Q The location in the center of that 48 acres designated 2-A, will that be a producing well?

A Yes, that well is presently being fracked. It is completed and is being fracked for completion as a producer.

MR. NUTTER: Any further questions of Mr. Darden?

Mr. Irby.

BY MR. IRBY:

Q Mr. Darden, could you tell me approximately the top of the cement behind that 450 foot string of 8-5/8 after you put in the 50 sacks?

A Yes, that will bring cement to the surface on the



