

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF  
KENNEDY OIL COMPANY AND NEWMONT OIL  
COMPANY FOR AN EXCEPTION TO ORDER NO.  
R-3221 OF THE OIL CONSERVATION COMMISSION,  
TO PERMIT, AFTER JANUARY 1, 1968, THE  
DISPOSAL IN PITS OF WATER PRODUCED FROM  
WATERFLOOD PROJECTS IN THE SQUARE LAKE  
POOL, EDDY COUNTY, NEW MEXICO

*Order 3666*

*1968*

APPLICATION

COME KENNEDY OIL COMPANY and NEWMONT OIL COMPANY, by  
their attorneys, John F. Russell and A. J. Losee, and state:

1. Applicants, in severalty, are the operators of  
certain waterflood projects and leases offsetting waterflood  
projects in Townships 16 and 17 South, Ranges 30 and 31 East,  
N.M.P.M., Square Lake Pool, Eddy County, New Mexico. The  
acreage operated by Kennedy Oil Company is described as fol-  
lows:

Township 16 South, Range 31 East, N.M.P.M.,

Section 19: N/2 SW/4  
Section 20: S/2 NW/4, N/2 SW/4  
Section 21: SW/4 SW/4  
Section 22: SW/4 SW/4  
Section 27: W/2 NW/4, SE/4 NW/4, SW/4 NE/4  
Section 28: NE/4, N/2 NW/4, SE/4 NW/4,  
E/2 SW/4, E/2 SE/4

Township 17 South, Range 30 East, N.M.P.M.,

Section 2: S/2 NE/4, SE/4 NW/4

The acreage operated by Newmont Oil Company is described as  
follows:

Township 16 South, Range 31 East, N.M.P.M.,

Section 19: S/2 SE/4  
Section 20: S/2 SW/4  
Section 28: SW/4 NW/4, W/2 SW/4, W/2 SE/4  
Section 29: All

Section 30: NE/4, E/2 SE/4  
Section 31: NW/4 SW/4  
Section 32: N/2  
Section 33: All  
Section 34: S/2 NE/4, W/2 NW/4, SE/4 NW/4,  
S/2

Township 16 South, Range 30 East, N.M.P.M.,

Section 32: S/2 NE/4, SE/4  
Section 33: E/2 NE/4, S/2  
Section 34: All  
Section 35: NW/4, N/2 SW/4  
Section 36: SW/4 NE/4, NW/4, SW/4 SW/4,  
NE/4 SW/4, NE/4 SE/4

Township 17 South, Range 30 East, N.M.P.M.,

Section 4: NE/4, E/2 NW/4, NE/4 SW/4,  
N/2 SE/4

2. A map showing the acreage operated by Newmont Oil Company, colored in yellow, and the acreage operated by Kennedy Oil Company, colored in blue, together with the location of all existing and proposed disposal pits, is hereto attached and by reference made a part hereof.

3. There is no substantial supply of fresh water in the vicinity of Applicants' acreage in the Square Lake Pool, Eddy County, New Mexico.

4. The disposal of water produced in conjunction with the production of oil from the waterflood projects and from the leases offsetting the waterflood projects in the Square Lake Pool in the existing and proposed pits after January 1, 1968, as an exception to Order No. R-3221 of the Oil Conservation Commission ("Commission"), will not constitute a hazard to any fresh water supplies in the area, will be in the interest of conservation and will prevent waste.

WHEREFORE, Applicants pray the order of the Commission as follows:

1. That this matter be set for hearing before the Commission and that due notice thereof be given as required by law.

2. That after such hearing an order be entered granting an exception to Commission Order No. R-3221 to permit the Applicants, after January 1, 1968, to dispose of water produced from their waterflood projects and from their leases offsetting waterflood projects in the Square Lake Pool, Eddy County, New Mexico, in the existing and proposed pits.

3. And for such other relief as may be just in the premises.

JOHN F. RUSSELL  
P. O. Box 640  
Roswell, New Mexico

A handwritten signature in black ink, appearing to read 'A. J. Losee', written over a horizontal line.

A. J. LOSEE  
P. O. Drawer 239  
Artesia, New Mexico

Attorneys for Applicants