

GOVERNOR
EDWIN L. MECHEM
CHAIRMAN

State of New Mexico
Oil Conservation Commission

LAND COMMISSIONER
E. S. JOHNNY WALKER
MEMBER



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

P. O. BOX 871
SANTA FE

August 2, 1962

Mr. John F. Russell
Campbell & Russell
Attorneys at Law
P. O. Drawer 640
Roswell, New Mexico

Re: CASE NO. 2607
ORDER NO. R-1110-D
APPLICANT:
NEWMONT OIL COMPANY

Dear Sir:

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ir/

Carbon copy of order also sent to:

Hobbs OCC x
Artesia OCC x
Aztec OCC

OTHER Mr. Guy Buell



STATE OF NEW MEXICO

STATE ENGINEER OFFICE

SANTA FE

S. E. REYNOLDS
STATE ENGINEER

July 10, 1962

ADDRESS CORRESPONDENCE TO:
STATE CAPITOL
SANTA FE, N. M.

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 in connection with amending orders R-1110, R-1110-A, R-1110-B and R-1110-C which was submitted by their attorneys, Campbell and Russell on June 27, 1962. This application requests that the Commission set an examiner hearing to determine whether the Newmont Oil Company be permitted to expand the project area for its Square Lake Pool waterflood project.

The State Engineer finds no reason to object to the expansion of this project.

Very truly yours,

S. E. Reynolds
State Engineer

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

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

Handwritten mark

LAW OFFICES OF
CAMPBELL & RUSSELL
SUITE 1010 SECURITY NATIONAL BANK BUILDING
P. O. DRAWER 640
ROSWELL, NEW MEXICO

JACK M. CAMPBELL
JOHN F. RUSSELL

TELEPHONE 622-4641
AREA CODE 505

June 27, 1962

Oil Conservation Commission
Post Office Box 871
Santa Fe, New Mexico

Gentlemen:

We transmit herewith an application in triplicate of Newmont Oil Company in connection with amending Orders R-1110, R-1110-A, R-1110-B and R-1110-C. It is requested that this matter be set for hearing before the Examiner.

Very truly yours,

CAMPBELL & RUSSELL

John F. Russell
John F. Russell

JFR:sah
Encl.
cc: State Engineer

Faint handwritten notes or stamps at the bottom left corner.

STATEMENT OF PAN AMERICAN PETROLEUM CORPORATION IN
CASE 2607 - 7-26-62

Pan American would respectfully direct the Commission's attention to its statement of position made in Case 2566 which was heard only 2 months ago on May 23, 1962. In that case Newmont Oil Company was also the applicant and then, as is the case here today, Newmont was asking to expand the limits of their Square Lake Pool Waterflood Project with capacity allowables for the expanded area.

In our statement opposing that request we pointed out that in expanding their project to properties operated by others that Newmont was circumventing the purpose and intent of Rule 701. We would again remind the Commission that the lure of capacity allowables is an extremely persuasive argument in negotiating to take ~~over~~^{over} operation of properties adjacent to Newmont's flood area.

The trend in New Mexico with respect to capacity waterflood allowables, exempt from proration, is an ever increasing one. Unless this trend is reversed, New Mexico could end up in the same unenviable position of some of its neighbor oil producing states where an extremely large portion of market demand is served by production that is completely outside any restraints of proration.

For these reasons Pan American respectfully urges that the Commission deny Newmont's application for capacity allowables in the expansion area proposed here today.

Sey Buehl