

Case Number

4326

Application  
Transcripts.

Small Exhibits

ETC.

Larnley-meier

SPEC. LITIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

201 SIMMS BLDG. • P.O. BOX 1092 • PHONE 143-6691 • ALBUQUERQUE, NEW MEXICO

BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
March 25, 1970

EXAMINER HEARING

-----  
IN THE MATTER OF: )

Application of Newmont Oil )  
Company for an unorthodox oil )  
well location, Eddy County, )  
New Mexico. )

Case No. 4326

-----  
BEFORE: Elvis A. Utz, Examiner.

TRANSCRIPT OF HEARING

MR. UTZ: Case 4326.

MR. HATCH: Case 4326. Application of Newmont Oil Company for an unorthodox oil well location, Eddy County, New Mexico.

MR. LOSEE: Mr. Examiner, A. J. Losee of Artesia appearing on behalf of the Applicant. I have one witness, Mr. Herman Ledbetter.

(Witness sworn).

(Whereupon, Applicant's Exhibits 1 through 3 were marked for identification).

MR. UTZ: Are there other appearances in this case? You may proceed.

HERMAN LEDBETTER

the Witness, having been first duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. LOSEE:

Q You are Mr. Herman Ledbetter of Artesia, New Mexico?

A Yes, sir.

Q What is your occupation?

A I am division superintendent for Newmont Oil Company in Artesia.

Q Have you previously testified before this Commission as an expert witness and had your qualifications accepted?

A Yes, sir.

MR. LOSHE: The witness' qualifications acceptable?

MR. UTZ: Yes, sir.

Q (By Mr. Losce) Would you please explain to the Examiner the purpose of the application of Newmont Oil Company in Case Number 4326?

A The purpose of the application is to plug back our Brigham Number Five Well presently producing from the Loco Hills Zone to the lower Queen Zone. This well was drilled originally on an unorthodox location to produce in the Loco Hills waterflood.

Q It's located, the Brigham Number Five, 1325 feet from the south line and 990 from the east?

A Yes, sir.

Q So, that it's actually unorthodox only in that it crowds the north line of the southeast quarter of the southeast quarter of Section 31?

A Yes, sir.

Q Please refer to what has been marked as Exhibit One and explain what is portrayed on this exhibit.

A This is a map of the area of Brigham Five and

surrounding area. The red arrow points to the Brigham Five Well that we propose to plug back and test the Queen Zone. The green dot in Section 32 in the northwest northwest of 32 is the only Queen Well presently producing in the area of this well.

Q That's the Cities Service State CA Number One Well?

A Yes, sir.

Q Is this Brigham Number Five still producing in the Loco Hills Sand or is it substantially watered out?

A We are producing it but it is producing at or actually it's slightly below the economic limit probably at this time and we need to either abandon this zone or --

MR. UTZ: How much is it producing?

THE WITNESS: About five oil and seventy-two water.

Q (By Mr. Losce) Please refer to what's been marked Exhibit Two, being the diagrammatic sketch of the Brigham Number Five, and explain what is reflected by this exhibit.

A This sketch shows the casing program. We had four and a half casing set at the top of the Loco Hills Zone, 2836 and cemented with 100 sacks. The calculated top of the cement comes back to 2316 above the proposed new completion.

We had set eight-inch casing at 457, 50 sacks down there.

Q Please refer to the log of the Brigham Number Five, which has been marked as Exhibit Three, and point out the possible production in the Queen where the well is presently producing.

A The well presently is producing from the Loco Hills Zone at 2347 to 72. The proposed completion is in the lower Queen which has been colored in in red on the left and marked top of lower Queen at about 2570.

This well was drilled with cable tools and during the drilling of this, we had a show in the Queen Zone of 2 or 3 gallons of oil per hour and we feel like that this was adequate oil show to be tested.

Q Now, you earlier referred to this Cities Service State CA Number One up in the northwest northwest of Section 32. Do you know what the cumulative production of that well from the Queen is?

A Approximately 20,000 barrels according to the information I could get from the state proration record.

Q Have you made an estimate of the amount of Queen production that you might reasonably expect to recover from this Brigham Number Five?

A We think that it should produce in the order of 20,000 barrels.

Q And based on that amount of expected reserves, do you feel like it would justify the drilling of a new well at an orthodox location?

A No, sir, it would be rather marginal to drill a new well.

Q If this should develop as a Queen producer, do you think it's reasonable to expect that there are some other wells in this Loco Hills flood that eventually will produce out of the Queen?

A Yes, sir. We picked this zone because it was -- felt like it had the best chance as a completion. It was a little more modern completion than some of the other wells, but we think that maybe as many as six or eight other wells in there that have possibilities of approximately this amount of oil.

Q Now, actually, the location that this well crowds is owned by Newmont in the Queen?

A Yes, sir.

Q The only offset operator is to the west of you in the west half of the southeast quarter of Section 31?

A Yes.

Q What company is that?

A Anadarko Production Company.

Q Have you filed with the Commission the consent of Anadarko to plugging back this well and attempting completion in the Queen?

A Yes, sir.

Q Were Exhibits One through Three prepared by you or under your supervision?

A Yes.

MR. LOSEE: I move the introduction of Exhibits One through Three.

MR. UTZ: Without objection, Exhibits One through Three will be entered into the record of this case.

MR. LOSEE: We would ask the Commission to take notice of Anadarko's consent dated February 17, 1970 in your files.

I have no further direct examination.

CROSS EXAMINATION

BY MR. UTZ:

Q Mr. Ledbetter, is the Queen being flooded in this area?

A No, sir.

Q So, you are actually abandoning a waterflood? This has been a waterflood, hasn't it?

A Yes, very good waterflood, as a matter of fact;



but, it's just through.

Q So, you are asking abandonment of the waterflood producing well to a Queen oil well?

A Yes.

Q This well is actually five feet from the 40-acre line: is that correct?

A Yes, sir.

Q How old is the casing in this well?

A It was new casing. It was run in September of 1961.

Q And you propose to perforate the Queen between 2570 around 2610?

A That's their gross area. We probably won't perforate that entire zone. We will probably pick out the very best porous zone, but this is the gross area of the Queen that we are going to complete in.

Q And you will plug the Loco Hills back up above the casing shoe?

A Yes.

Q With cement, I presume?

A Yes. Well, we were thinking about possibly not -- we're doing some things in the field as far as changing the pattern in another part of the field and we would like to

make that a little more temporary by putting a cast iron plug at this time and if our experiment on changing of the pattern and I suppose this is commonly referred to as cross-flooding works out, why, we may want to try to go back and produce the Loco Hills Zone later; but, as the things stand now, why we don't think that it would be -- it could be, if the Commission felt like that it was absolutely necessary, we would put some cement on top of that plug but we would prefer not to pump the cement to the Loco Hills Zone at this time in case our experiment worked out.

Q Can you put a cast iron plug in there that would adequately separate these two zones?

A Yes, sir. We feel like it would be as protected as well as cement.

Q And you will undoubtedly tube the well whenever you discover it has production, right?

A Yes, sir. I'm sure it will be a pumping well. We don't anticipate flowing well.

MR. UTZ: Other questions of the witness? He may be excused.

(Witness excused).

MR. UTZ: Statements in this case? The case will

be taken under advisement.

We will take a ten minute break.

(Whereupon, a short recess was taken).

I N D E X

<u>WITNESS</u>	<u>PAGE</u>
HEPMAN LEDBETTER	
Direct Examination by Mr. Losee	2
Cross Examination by Mr. Utz	7

E X H I B I T S

Applicant's 1 through 3	2
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STATE OF NEW MEXICO )  
 ) ss  
COUNTY OF BERNALILLO )

I, GLENDA BURKS, Court Reporter in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me; and that the same is a true and correct record of the said proceedings to the best of my knowledge, skill and ability.

*Flonda Burks*  
Notary Public

My Commission Expires:

March 12, 1973

I do hereby certify that the foregoing is  
a complete record of the proceedings in  
the Examiner hearing of Case No. 4328  
heard by me on May 22, 1970.  
[Signature], Examiner  
New Mexico Oil Conservation Commission.



# OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

P. O. BOX 2088 - SANTA FE

87801

GOVERNOR  
DAVID P. CARGO  
CHAIRMAN

LAND COMMISSIONER  
ALEX J. ARMIJO  
MEMBER

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

April 2, 1970

Mr. A. J. Losee  
Attorney at Law  
Post Office Box 239  
Artesia, New Mexico 88210

Re: Case No. 4326  
Order No. R-3939  
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

ALP/ir

Copy of order also sent to:

Hobbs OCC        x

Artesia OCC        x

Aztec OCC       

Other \_\_\_\_\_

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF NEW MEXICO FOR  
THE PURPOSE OF CONSIDERING:

CASE No. 4326  
Order No. R-3939

APPLICATION OF NEWMONT OIL COMPANY  
FOR AN UNORTHODOX OIL WELL LOCATION,  
EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on March 25, 1970,  
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 1st day of April, 1970, the Commission, a  
quorum being present, having considered the testimony, the record,  
and the recommendations of the Examiner, and being fully advised  
in the premises,

FINDS:

(1) That due public notice having been given as required by  
law, the Commission has jurisdiction of this cause and the subject  
matter thereof.

(2) That the applicant, Newmont Oil Company, seeks an excep-  
tion to the requirements of Rule 104 C I of the Commission Rules  
and Regulations to permit the recompletion of its Brigham Well  
No. 5 at an unorthodox location within one mile of the Loco Hills-  
Queen Pool 1325 feet from the South line and 990 feet from the  
East line of Section 31, Township 17 South, Range 30 East, NMPM,  
Eddy County, New Mexico.

(3) That the subject well was completed at an unorthodox  
location as a producing well in the Newmont Loco Hills Waterflood  
Project.

(4) That the subject well has reached its economic limit  
as a producing well in said Loco Hills Waterflood Project.

-2-

CASE No. 4326

Order No. R-3939

(5) That the applicant proposes to plug back said well from the Grayburg-San Andres formation and recomplete it in the Queen formation.

(6) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the oil in the Loco Hills-Queen Pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Newmont Oil Company, is hereby granted an exception to Rule 104 C I of the Commission Rules and Regulations to recomplete its Brigham Well No. 5 at an unorthodox location for the Loco Hills-Queen Pool 1325 feet from the South line and 990 feet from the East line of Section 31, Township 17 South, Range 30 East, NMPM, Eddy County, New Mexico.

(2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

  
DAVID F. CARGO, Chairman

  
ALEX J. ARMIÑO, Member

  
A. L. PORTER, Jr., Member & Secretary

  
esr/



Case 4326

Heard 3-25-70

Rec. 3-26-70

Grant Newmont an NSL  
for their Brigham #5, 1325/5,  
420/E lines 31-175-30 E.  
Well is now a Loco Hills  
Waterflood producer + will  
be plugged back to the  
Green + completed for a  
producing oil well. It  
would be an attention to the  
Loco Hills - Green Pool.  
Is now in Loco Hills -  
Liby. S.A.

Thud. O. R.  
Well shall be P.B. in a  
manner to prevent any  
communication between the  
Green + G. S.A.,



NEWMONT OIL COMPANY

ROOM 303, FIRST NATIONAL BANK BUILDING

P. O. Box 1305

ARTESIA, NEW MEXICO 88210

February 9, 1970

10 FEB 24 AM 8 27

NEW MEXICO  
DISTRICT OFFICE

Anadarko Production Company  
P. O. Box 9317  
Fort Worth, Texas 76107

*Case 4-326*

Gentlemen:

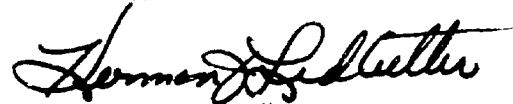
We propose to re-enter the Newmont Oil Company Brigham No. 5 well located 1,325 feet from the South line and 990 feet from the East line of Section 31, Township 17 South, Range 30 East, N.M.P.M., Eddy County, New Mexico. This well has been producing from the Loco Hills Sand at the interval between 2,847 and 2,872 feet below the surface, and it is our intention to plug the well back and attempt a completion in the Queen formation at the interval between 2,570 and 2,602' below the surface.

Our records indicate that you are the owners of the shallow rights underlying the W/2 SE/4 of said Section 31, directly and diagonally offsetting the said Brigham No. 5 well. Rule No. 104 of the Rules and Regulations of the New Mexico Oil Conservation Commission provides that if you consent in writing to our re-entry at this unorthodox location, the Secretary-Director may grant administrative approval to such re-entry.

Accordingly, if you have no objections to our re-entry of the above mentioned well at the unorthodox location, please sign below and promptly return it to us.

Yours truly,

NEWMONT OIL COMPANY



Herman J. Ledbetter  
Division Superintendent

HJL/saf

The undersigned owner of the shallow rights directly and diagonally offsetting the Newmont Oil Company Brigham No. 5 well, does hereby consent to the above described re-entry at an unorthodox location in the NE/4 SE/4 of said Section 31.

ANADARKO PRODUCTION COMPANY

DATED this February 17th, 1970.

By: C. W. Samboff

DOCKET MAILED

Superintendent  
Secondary Recovery Division

Date 3-12-70

DOCKET: EXAMINER HEARING - WEDNESDAY - MARCH 25, 1970

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,  
STATE LAND OFFICE BUILDING - SANTA FE, NEW MEXICO

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The following cases will be heard before Elvis A. Utz, Examiner, or Daniel S. Nutter, Alternate Examiner:

- CASE 4321: Application of Sun Oil Company-DX Division for 320-acre spacing, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks 320-acre spacing for the Cass Ranch-Morrow Gas Pool, Eddy County, New Mexico. Said pool was created prior to June 1, 1964, and therefore is not automatically eligible for 320-acre spacing. In the absence of evidence to the contrary, 320-acre spacing will be established for the pool.
- CASE 4324: Application of Pennzoil United, Inc. for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the special rules and regulations governing the Lea-Bone Springs Pool to permit the completion of a well at an unorthodox location 2310 feet from the South line and 1800 feet from the East line of Section 35, Township 19 South, Range 34 East, Lea County, New Mexico.
- CASE 4325: Application of Mobil Oil Corporation for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle production from the Vacuum-Wolfcamp Pool and the Vacuum-Upper Pennsylvanian Pool in the wellbore of its Bridges State Well No. 119, a triple completion, located in Unit F of Section 24, Township 17 South, Range 34 East, Lea County, New Mexico.
- CASE 4326: Application of Newmont Oil Company for an unorthodox oil well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 104 C I to permit the recompletion of a well at an unorthodox oil well location 1325 feet from the South line and 990 feet from the East line of Section 31, Township 17 South, Range 30 East, Loco Hills-Queen Pool, Eddy County, New Mexico.
- CASE 4327: Application of Franklin, Aston & Fair for an exception to Order No. R-3221, as amended, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221, as amended, which order prohibits the disposal of water produced in conjunction with the production of oil on the surface of the ground in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico. Said exception would be for applicant's leases comprising the NE/4 and N/2 SE/4 of Section 1, Township 18 South, Range 29 East and the E/2, N/2 NW/4, and S/2 SW/4 of Section 6, Township 18 South, Range 30 East, Loco Hills Field, Eddy County, New Mexico. Applicant seeks authority to dispose of salt water produced by wells located or to be located on said leases in unlined surface pits.

Examiner Hearing - March 25, 1970

-2-

- CASE 4328: Application of Public Petroleum Corporation for compulsory pooling, San Juan County, New Mexico. Applicant in the above-styled cause, seeks an order pooling all mineral interests in the undesignated Fractured Cliffs gas pool underlying the SE/4 of Section 33, Township 30 North, Range 14 West, San Juan County, New Mexico. Said SE/4 to be dedicated to a well to be drilled in the SW/4 SE/4 of said Section 33. Applicant further seeks an order pooling all mineral interests in said gas pool underlying the NE/4 of Section 4, Township 29 North, Range 14 West, San Juan County, New Mexico. Said NE/4 to be dedicated to a well to be drilled in the NW/4 NE/4 of said Section 4. Also to be considered will be the costs of drilling said wells, a charge for the risk involved, a provision for the allocation of actual operating costs, and the establishment of charges for supervision of said wells.
- CASE 4329: Application of R. D. Collier for an exception to Order No. R-3221, as amended, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Order No. R-3221, as amended, which order prohibits the disposal of water produced in conjunction with the production of oil on the surface of ground in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico. Said exception would be for applicant's Sinclair Parke Well No. 1 located in Unit F, Section 22, Township 17 South, Range 30 East, Jackson-Abo Field, Eddy County, New Mexico. Applicant seeks authority to dispose of salt water produced by said well in an unlined surface pit in the vicinity of said well.
- CASE 4314: (Continued and readvertised from February 25, 1970, Examiner Hearing and March 4, 1970 Examiner Hearing)  
Application of Coastal States Gas Producing Company for pool redelineation, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the redelineation of certain pool boundaries to include the deletion of the W/2 and SE/4 of Section 21, Township 13 South, Range 33 East, Lea County, New Mexico, from the Lazy J-Pennsylvanian Pool and the extension of the North Baum Upper Pennsylvanian Pool to include said deleted acreage.
- CASE 4319: (Continued from the March 4, 1970, Examiner Hearing)  
Application of Texaco Inc. for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle production from the North Vacuum-Abo Pool and the Vacuum-Wolfcamp Pool in the wellbores of its New Mexico "Q" State Well No. 4 and its New Mexico "N" State Well No. 6, triple completions located respectively in Unit P of Section 25, Township 17 South, Range 34 East and Unit L

(Case 4319 continued)

of Section 30, Township 17 South, Range 35 East, Lea County, New Mexico.

- CASE 4322: Application of Texaco Inc. for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle production from the Vacuum-Wolfcamp and Vacuum-Upper Pennsylvanian Pools in the wellbore of its Shell State Well No. 1, a triple completion, located in Unit J of Section 25, Township 17 South, Range 34 East, Lea County, New Mexico.
- CASE 4323: Application of Texaco Inc. for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the Grayburg and San Andres formations through its USA Federal "C" Well No. 1 located in Unit P, Section 15, Township 17 South, Range 32 East, Maljamar (Grayburg-San Andres) Pool, Lea County, New Mexico.
- CASE 4330: Application of Tenneco Oil Company for an unorthodox location and dual completion, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks approval of the dual completion of its Hospah Well No. 37X to produce oil from the Hospah-Upper and South Hospah-Lower Sand Oil Pools at an unorthodox location for said pools 1280 feet from the North and West lines of Section 12, Township 17 North, Range 9 West, McKinley County, New Mexico.
- CASE 4331: Application of Wynn & Brooks for an unorthodox gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Federal "E" Well No. 3, to be located 790 feet from the North and West lines of Section 13, Township 27 North, Range 8 West, Blanco-Mesaverde and Basin-Dakota Pools, San Juan County, New Mexico.
- CASE 4264: (Continued from the February 4, 1970 Examiner Hearing)  
Application of Wynn & Brooks for an unorthodox gas well location, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Federal "J" Well No. 1, to be located 2390 feet from the South line and 2410 feet from the East line of Section 11, Township 27 North, Range 8 West, Blanco-Mesaverde and Basin-Dakota Pools, San Juan County, New Mexico.

CASE 4301: (Continued from the February 4, 1970 Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Robert T. Smith and all other interested persons to appear and show cause why the following Robert T. Smith wells located in Section 32, Township 20 North, Range 9 West, McKinley County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program:

State Well No. 1 located 487 feet from the North line and 990 feet from the East line;

State "A" Well No. 1 located 400 feet from the North line and 990 feet from the East line;

State Well No. 3 located 330 feet from the North line and 330 feet from the West line;

State Well No. 6 located 220 feet from the North line and 1485 feet from the East line;

State Well No. 6-Y located approximately 5 feet West of the above-described Well No. 6;

State Well No. 8 located 1155 feet from the North line and 2475 feet from the East line.



NEWMONT OIL COMPANY  
BRIGHAM NO. 5

1,325' FSL & 990' FEL, Sec. 31, 17S, 30E  
Loco Hills Pool, Eddy County, New Mexico

Completed: 11-9-61  
Elevation: 3561 G.L.  
IP: 7 BOPD

Top of Salt 430'

Top Queen 2324'

Top Lower Queen 2570'

Top of Loco Hills 2845'

T.D. 2883'

Calculated Top of Cement 99'

8 5/8" 24# casing set @ 457'.  
Cemented with 50 Sx.

Calculated Top of Cement 2316'

4 1/2" 9.5# casing set @ 2836'.  
Cemented with 100 Sx.

BEFORE EXAMINER UTZ

OIL CONSERVATION COMMISSION

EXHIBIT NO. 2

FILE NO. 4326



OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

February 24, 1970

*Case 4326*

Mr. A. J. Losee  
Attorney at Law  
P. O. Drawer 239  
Artesia, New Mexico 88210

DOCKET MAILED

Date 3-12-70

Re: Application of Newmont Oil Company  
for the recompletion of its Brigham  
Well No. 5 at an unorthodox location,  
Eddy County, New Mexico

Dear Jerry:

As the Brigham Well No. 5 was previously  
drilled to another horizon at an unorthodox  
location, the application is not eligible for  
administrative approval and is being set for  
hearing on March 25, 1970.

Very truly yours,

GEORGE M. HATCH  
Attorney

GMH/esr

C  
O  
P  
Y

JOEL M. CARSON

LAW OFFICES

A. J. LOSEE

CARPER BUILDING - P. O. DRAWER 239  
ARTESIA, NEW MEXICO 88210

AREA CODE 505  
746-3508

23 February 1970

*Case 4,326*

*not eligible for  
admission. However, approval  
as well as original drilled  
at an interval of 100 feet.*

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

Dear Mr. Porter:

On behalf of Newmont Oil Company, I request administrative approval for an exception to the well location requirements of Rule 104 of the Oil Conservation Commission to permit the re-entry into the Newmont Oil Company Brigham No. 5 well, located 1,325 feet from the South line and 990 feet from the East line of Section 31, Township 17 South, Range 30 East, N.M.P.M., Eddy County, New Mexico. The well has been producing from the Loco Hills Sand at an interval between 2,847 and 2,872 feet below the surface, and it is Newmont's intention to plug the well back and attempt a completion in the Queen formation at the interval between 2,570 and 2,602 feet below the surface.

In support of this request, I enclose:

1. Original and copy of map showing location of producers, injection wells and plugged and abandoned wells in the applicable portion of Section 31, Township 17 South, Range 30 East, N.M.P.M.
2. Original letter dated February 9, 1970, and reflecting the consent on February 17, 1970, of Anadarko Production Company to the unorthodox location.

If you find the enclosures to be in order, we should appreciate receiving administrative approval of the application of Newmont Oil Company for an exception to the well location requirements of Rule 104.

Very truly yours,

  
A. J. Losee

AJL:jw  
Enclosures  
cc: Newmont Oil Company

GMH/esr

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF NEW MEXICO FOR  
THE PURPOSE OF CONSIDERING:

CASE No. 4326

Order No. R- ~~397~~

APPLICATION OF NEWMONT OIL COMPANY  
FOR AN UNORTHODOX OIL WELL LOCATION,  
EDDY, COUNTY, NEW MEXICO.

## ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on March 25, 19670,  
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 10 day of April, 19670, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Newmont Oil Company, seeks an exception to the requirements of Rule 104 C I of the Commission Rules and Regulations to permit the recompletion of its Brigham Well No. 5 at an unorthodox location ~~in~~ *within one mile of* the Loco Hills-Queen Pool *W* 1325 feet from the South line and 990 feet from the East line of Section 31, Township 17 South, Range 30 East, NMPM, Eddy County, New Mexico.

(3) That the subject well ~~was~~<sup>was</sup> ~~recently~~<sup>recently</sup> completed at an ~~unorthodox~~<sup>unorthodox</sup> location as a producing well in the Newmont Loco Hills Waterflood Project. ~~but~~

(4) That the subject well has reached its economic limit as a producing well in the ~~the~~ said New Hills waterflood project, plug back

(5) That the applicant proposes to recomplete acid well from the Grayburg-Ran Andres formation and recomplete it in the Queen formation.

That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the oil in the Loco Hills-Queen Pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Newmont Oil Company, is hereby granted an exception to Rule 104 C I of the Commission Rules and Regulations to recomplete its Brigham Well No. 5 at an unorthodox location *for* the Loco Hills-Queen Pool 1325 feet from the South line and 990 feet from the East line of Section 31, Township 17 South, Range 30 East, NMPM, Eddy County, New Mexico.

(2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.