

CASE 3218: Application of NEWMONT
OIL CO. for a non-standard loca-
tion, (Fidel Well No. 5).

CASE NO.

3218

Application,

TRANSCRIPTS,

Small Exhibits

ETC.

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO

April 5, 1965

C
O
P
Y

Mr. John Russell
Attorney at Law
Post Office Drawer 640
Roswell, New Mexico

Dear Sir:

Reference is made to Commission Order No. R-2887, recently entered in Case No. 3218, which authorized Newmont Oil Company to drill a water injection well at an unorthodox location 50 feet from the North line and 50 feet from the East line of Section 29, Township 16 South, Range 31 East, Square Lake Pool, Eddy County, New Mexico.

Injection into this well is to be accomplished only after the casing has been pressure-tested to 2000 psi. Please notify the Artesia District Office of the Commission of the date and hour such tests are to be commenced.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/DSH/ir

cc: Mr. M. L. Armstrong
Oil Conservation Commission
Artesia, New Mexico

Mr. Frank Irby
State Engineer Office
Santa Fe, New Mexico

State of New Mexico
Oil Conservation Commission



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

March 25, 1965

Re: Case No. 3218
Order No. R-2687
Applicant:
Newmont Oil Company

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

A. L. Porter, Jr.
A. L. PORTER, Jr.
Secretary-Director

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. 3218
Order No. R-2887

APPLICATION OF NEWMONT OIL COMPANY
FOR A NON-STANDARD LOCATION, EDDY
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on March 10, 1965, at Santa Fe, New Mexico, before Examiner Elvis A. Ute.

NOW, on this 25th day of March, 1965, 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 authority to drill its Fidel Well No. 5 as a water injection well to inject water into the Lower Grayburg and Upper San Andres formations in its East Square Lake Waterflood Project at a non-standard location 50 feet from the North line and 50 feet from the East line of Section 29, Township 16 South, Range 31 East, NMPM, Eddy County, New Mexico.

(3) That approval of the subject application should increase the efficiency of the East Square Lake Waterflood Project and result in the recovery of otherwise unrecoverable oil, thereby preventing waste.

-2-

CASE No. 3218

Order No. R-2887

IT IS THEREFORE ORDERED:

(1) That the applicant, Newmont Oil Company, is hereby authorized to drill its Fidal Well No. 5 as a water injection well to inject water into the Lower Grayburg and Upper San Andres formations in its East Square Lake Waterflood Project at a non-standard location 50 feet from the North line and 50 feet from the East line of Section 29, Township 16 South, Range 31 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

Jack M. Campbell

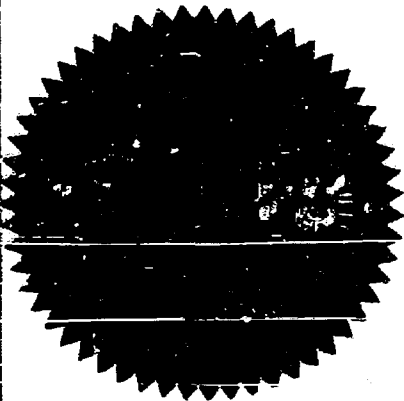
JACK M. CAMPBELL, Chairman

Guyton B. Hays

GUYTON B. HAYS, Member

A. L. Porter, Jr.

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



esr/

February 23, 1965

Case 3218

Mr. John F. Russell
Attorney at Law
P. O. Drawer 640
Roswell, New Mexico 88201

Dear Mr. Russell:

Your letter of February 19, 1965 and the enclosed application of Newmont Oil Company seeking Oil Conservation Commission permission to drill and use a water injection well in the East Square Lake project is gratefully acknowledged.

No mention is made of the manner in which the well will be constructed or equipped.

I have no objection to the granting of the application if the well is properly cased and cemented through the injection zone, perforated at the injection zone, and injection is through internally plastic coated tubing under an effective packer set well below the top of the cement surrounding the casing.

Very truly yours,

S. E. Reynolds
State Engineer

By:
Frank E. Irby
Chief
Water Rights Div.

FBI/ma
cc-A. L. Porter, Jr.

LAW OFFICES OF
JOHN F. RUSSELL
SUITE 1010 SECURITY NATIONAL BANK BUILDING
P. O. DRAWER 640
ROSWELL, NEW MEXICO 88201

TELEPHONE C22-4841
AREA CODE 505

March 5, 1965

Mr. Frank Irby, Chief
Water Rights Division
Office of State Engineer
Santa Fe, New Mexico

Dear Frank:

C
O
P
Y

Reference is made to the Application of Newmont Oil Company in Case No. 3218, seeking authority to drill a water injection well at an unorthodox location in its East Square Lake Waterflood Project. I enclose herewith for your information a copy of the diagrammatic sketch of the proposed well completion and a plat of the waterflood project showing the location of this well.

Mr. Ledbetter, Engineer for Newmont, advises me that the wells drilled in this general area have not reflected the presence of fresh water. All casing to be used in this well will be new casing and the water injected will be fresh water from the Lea County Basin.

Please call me in the event there is any additional information you want on this Application, and Mr. Ledbetter and myself will be glad to come up Tuesday afternoon and meet with you prior to the hearing to resolve any questions which you might have.

Yours very truly,

John F. Russell

JFR:pv
Enclosures

cc: Oil Conservation Commission

1402-W- WASHINGTON
300 Carper Building

PHONE SHERWOOD 6.4778

Kennedy Oil Company

— OIL PRODUCERS —

P. O. Box 151

Artesia, New Mexico

8 March 1965

New Mexico Oil Conservation Commission
State Land Office Building
Santa Fe, New Mexico

Re: Case No. 3218, Application of
Newmont Oil Company for a
Nonstandard Location,
Eddy County, New Mexico

Gentlemen:

We are the operators of the Grayburg and San Andres formation oil wells located in the SW/4 SW/4 of Section 21 and NW/4 NW/4 of Section 28, Township 16 South, Range 31 East, and our wells directly and diagonally offset the proposed nonstandard location of Newmont Oil Company.

We offer no objection to the subject application of Newmont Oil Company so long as the proposed Fidel Well No. 5 is used solely as a water injection well. However, we do feel that our correlative rights would not be protected if the Fidel Well No. 5 were used as a producing oil well from the Grayburg and San Andres formations. As a result we request that the authority in this case be expressly limited to the drilling of the Fidel Well No. 5 as a water injection well and provide that it will not be converted to a producing oil well until notice and hearing are had on the matter.

Respectfully submitted,

KENNEDY OIL COMPANY

By P. B. Kennedy
Vice-President

Case 3218

Filed 3-10-65

Rec. 3-10-65

1. Grant Newmont a non est. location for a water injection well in their Square Lake - Grayburg waterflood. The Newmont - Fidel Fed A #5 to be located.

50°N + 50°E line sec. 28-165-315.

2. Casing ^{cement} shall be tested to a pressure equaling any possible injection pressure.

3. An amendment to O. R. 2823.

Thurston

DOCKET: EXAMINER HEARING - WEDNESDAY - MARCH 10, 1965

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

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

- CASE 2764: (Reopened and continued from the February 10, 1965 Examiner Hearing)
In the matter of Case No. 2764 being reopened pursuant to the provisions of Order No. R-2439, which order established temporary 640-acre spacing units for the West Jal-Strawn Gas Pool, Lea County, New Mexico, for a period of two years. All interested parties may appear and show cause why said pool should not be developed on 320-acre spacing units.
- CASE 3203: (Continued from the February 10, 1965 Examiner Hearing)
Application of Schermerhorn Oil Corporation for a non-standard location and a non-standard gas proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an 80-acre non-standard gas proration unit comprising the N/2 NE/4 of Section 5, Township 19 South, Range 37 East, Eumont Gas Pool, Lea County, New Mexico, to be dedicated to its Linam G Well No. 1 at a non-standard location 1025 feet from the North line and 1253 feet from the East line of said Section 5.
- CASE 3214: Application of Carter Foundation Production Company for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the Teague-Simpson Pool by the injection of water into the Simpson formation through two injection wells located in Units B and C of Section 34, Township 23 South, Range 37 East, Lea County, New Mexico.
- CASE 3215: Application of Gulf Oil Corporation for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Mescal Wash Unit Area comprising 21,446 acres, more or less, of Federal, State and Fee lands in Townships 25 and 26 South, Ranges 22 and 23 East, Eddy County, New Mexico.
- CASE 3216: Application of Gulf Oil Corporation for a waterflood expansion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the expansion of its West Pearl Queen Unit Waterflood Project, Pearl Queen Pool, Lea County, New Mexico, to include the NW/4 of Section 28, Township 19 South, Range 35 East; applicant further seeks authority to convert two additional wells to water injection, said wells being located in Units D and F of said Section 28.
- CASE 3217: In the matter of the hearing called by the Oil Conservation Commission upon its own motion to permit S. S. Sutton, dba Eddy Oil Company and all other interested parties to show cause why the Eddy Oil Company Stanolind-State Wells Nos. 1 and 2, located in Units G and J, respectively, of Section 36, Township 19 South, Range 30 East, Eddy County, New Mexico, should not be plugged in accordance with a Commission approved plugging program.

MARCH 10, 1965 EXAMINER HEARING

CASE 3218: Application of Newmont Oil Company for a non-standard location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill its Fidel Well No. 5 as a water injection well to inject water into the Lower Grayburg and Upper San Andres formations in its East Square Lake Waterflood Project, at a non-standard location 50 feet from the North line and 50 feet from the East line of Section 29, Township 16 South, Range 31 East, Eddy County, New Mexico.

CASE 3219: (Continued to the March 24, 1965 Examiner Hearing)
Application of Humble Oil & Refining Company for a waterflood expansion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand its State "M" lease waterflood project by the conversion to water injection of 13 additional wells located in Sections 19, 20, 29, 30 and 31, Township 22 South, Range 37 East, Langlie-Mattix Pool, Lea County, New Mexico.

LAW OFFICES OF
JOHN F. RUSSELL
SUITE 1010 SECURITY NATIONAL BANK BUILDING
P. O. DRAWER 640
ROSWELL, NEW MEXICO 88201

February 19, 1965

TELEPHONE 622-4641
AREA CODE 505

Jan 3218

Mr. A. L. Porter, Jr.
Secretary-Director
Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Dear Mr. Porter:

Pursuant to my conversation with Mr. Durrett
this date, I enclose herewith in triplicate an Appli-
cation for the approval of a water injection well at
an unorthodox location in the Newmont Oil Company
East Square Lake Waterflood Project, Eddy County,
New Mexico.

Yours very truly,

John F. Russell
John F. Russell

JFR:pv

Enclosures

DOCKET MAILED

Date 2-26-65

R

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
NEWMONT OIL COMPANY FOR AN ORDER
AUTHORIZING THE DRILLING OF A WATER
INJECTION WELL IN ITS EAST SQUARE
LAKE WATERFLOOD PROJECT, SAID WELL
TO BE LOCATED 50 FEET FROM THE NORTH
LINE AND 50 FEET FROM THE EAST LINE
OF SECTION 29, TOWNSHIP 16 SOUTH,
RANGE 31 EAST, N.M.P.M., EDDY COUNTY,
NEW MEXICO.

No. 3218

APPLICATION

COMES NOW Applicant, Newmont Oil Company, by its
attorney, John F. Russell, and states:

1. Applicant is the operator of the East Square
Lake Waterflood Project authorized by Order R-1110-D entered
in Case No. 2607, which includes, among other lands, all
Section 29, Township 16 South, Range 31 East, N.M.P.M., Eddy
County, New Mexico.
2. Applicant seeks to drill a water injection
well to be its Fidel No. 5 well, to be located at an unorthodox
location 50 feet from the North line and 50 feet from the East
line of Section 29, Township 16 South, Range 31 East, Eddy
County, New Mexico.
3. Applicant has been unable to work out lease-
line agreements between its waterflood project and the
operators of the lease covering the SE $\frac{1}{4}$ Section 20, Township

16 South, Range 31 East, and it is necessary that the aforesaid water injection well be drilled in order to protect the correlative rights of Applicant.

WHEREFORE, Applicant requests the Commission to set this matter down for hearing before an examiner, to publish its notice as provided by law, and after the hearing, to issue its Order authorizing the drilling of the water injection well, as prayed for herein.

Respectfully submitted,

NEWMONT OIL COMPANY

By John D. Russell
P. O. Drawer 640
Roswell, New Mexico

Attorney for Applicant

DATED: February 19, 1965

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
March 10, 1965

EXAMINER HEARING

IN THE MATTER OF:

APPLICATION OF NEWMONT OIL COMPANY FOR A
NON-STANDARD LOCATION, EDDY COUNTY, NEW
MEXICO

Case No. 3218

BEFORE:

ELVIS A. UTZ

TRANSCRIPT OF HEARING

dearnley-meier reporting service, inc.

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dearnley-meier

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MR. UTZ: Case Number 3218.

MR. DURRETT: Application of Newmont Oil Company for a non-standard location, Eddy County, New Mexico.

MR. RUSSELL: John F. Russell, Roswell, New Mexico, representing the applicant. I have one witness, Mr. Herman Ledbetter.

* * *

HERMAN LEDBETTER, the witness, having been duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. RUSSELL:

Q Will you please state your name and address, by whom you are employed and in what capacity.

A My name is Herman Ledbetter. I am employed by Newmont Oil Company as division superintendent at Artesia, New Mexico.

Q Have you previously qualified to testify before the Examiner's hearing?

A Yes, sir.

Q Are you familiar with the application of Newmont Oil Company in Case Number 3218?

A Yes, sir.

Q What is it you seek by this application?

A We seek to gain permission to drill an injection well 50 feet from the north line and 50 feet from the east line

of Section 29, Range 16 South, 31 East in the Square Lake Waterflood.

Q I refer you to what has been marked Exhibit 1, and ask you what that shows.

A We have the proposed location spotted on the map as Fidel Number 5. It has a red arrow pointing to it.

Q What is the area outlined in black?

A This area is the Newmont Waterflood Project Area.

Q And that has been previously approved by the Commission, and the acreage involved here is included within that area, is it not?

A Yes.

Q And Newmont is the operator of the project?

A Yes, sir.

Q Why is it necessary, in your opinion, to add this Fidel Number 5 injection well at an unauthorized location, as proposed by you?

A We have made, over the past twelve to eighteen months, repeated attempts to gain cooperation from the DOB Oil Company whereby we would convert our Federal Number 4, which falls in the regular pattern, and their Federal A Number 1. This negotiation has gone on for a great deal of time, and it is our opinion now that its conclusion is not likely within a reasonable length of time.

Hearnley-Meier

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Q You have had no success at all with your negotiations?

A None whatsoever, and this location is necessary to protect the lease lines for moving oil across the lease or from waterflood wells that are now on injection to the south and west of this.

Q I now direct your attention to what is shown as your Fidel Number 4 well, Fidel Number 3 and the Bruning Unit Number 4, immediately to the south or southeast, and ask you what the status of those three wells is at this time.

A These wells are all producing, and in my opinion have responded to waterflooding in the area for some time. We have well test records submitted on the Commission Form C-116 on these three wells; from the Fidel Number 3 and Number 4 from the date of drilling. Both of these wells undoubtedly were responding. They were plugged wells that had been re-entered and at the time we went back and re-completed them they were producing at the rates of about 40 and 50 barrels a day, and have sustained these rates and even gone up since that time.

Q In your opinion, had those wells received response from the water injection prior to the time they were re-entered and completed as producing wells?

A Yes, sir.

Q I refer you to Exhibits 3, 4 and 5, and if you will go through them and advise the Examiner what they indicate as

dearney-meier

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to each of the wells involved.

A Beginning with--the C-116 Form is Exhibit 3, I believe--

Q I believe your Fidel Number 4 has been marked as Exhibit 3.

A The Fidel Number 4 shows well tests taken from the period January, 1963 through November, 1964. This well completed for about 40 barrels a day, and ever since that time, with the exception of the test shown as 3, during March 1963, which is somewhat low and is probably an error, has shown at least this much action, or more, during this time.

MR. DURRETT: Are you talking about Fidel Number 4, or 3?

A The Fidel A Number 4 is the one I'm looking at now.

MR. UTZ: That's marked Exhibit 2 on mine.

MR. RUSSELL: That's correct. I had the wrong number. And that exhibit does show an increase in production of oil during this period since it was recompleted as a producing well, does it not?

A Yes.

Q Turning to Exhibit 3, which I believe is the Fidel Federal A Well Number 3--

A The Fidel A Number 3 well tests were taken over a period from January, 1963 also through the period until November, 1964. These well tests indicate that this well, although it

dearnley-meier

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had responded at the time, has continued to respond during this period of time and is now making 60 barrels of oil per day, in comparison to a completion of about 35 barrels a day.

Q Referring to Exhibit 4, which is your Bruning Unit Federal Well Number 4, would you explain that.

A This is also a list of well tests on Commission Form C-116. These tests date back to January, 1962, prior to the time very much response had been received in this well. This well has responded as early as January, 1963, and has continued to show waterflood response until it is presently producing 45 oil and 23 water.

Q I refer you to what has been marked Exhibit 5, and ask if you will explain that exhibit.

A Exhibit 5 is a sketch--diagramatic sketch of the proposed drilling and completion program for the Fidel A Number 5. We plan to set thirty feet of 13-3/8 conductor pipe and cement this to surface, and if we don't encounter a loss of circulation prior to the top of the Salt, it is our plan to continue drilling until total depth is reached, and at this depth run 4 1/2-inch, 9 1/2-pound J-55 casing, and cement around the shoe with 160 sacks of cement; and when this casing is run, to run a metal paddle basket so that it will be at the point at the top of the Salt, and to run one-inch tubing string between the 4 1/2-inch casing and the hole on the outside of the casing,

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and run this string down to above the top of the metal paddle basket and spot 50 sacks of cement at this point.

Q In the drilling of other wells in this same area, did you encounter any fresh water?

A No, sir.

Q Is the water you are going to inject, fresh water from the Lea County Basin?

A Yes, sir. However, we may later reinject some produced water in this area. It has been our plan in the past to segregate water while injecting, but it was for our own convenience in drilling.

Q And Exhibit 5 shows the various zones which will be perforated for waterflood purposes?

A Yes, sir. The Metex and Premier are both in the Lower Grayburg Section, and the Lovington is about 100 feet into the San Andres, and these formations are the usual ones found in this sand, and the ones being flooded.

Q In your opinion, is it necessary to drill this injection well at the proposed location in order to protect correlative rights of the owners of interest in the flood?

A Yes, sir.

Q Were Exhibits 1 through 5 prepared by you or under your supervision?

A Yes, sir.

MR. RUSSELL: At this time I'd like to move for the introduction of Exhibits 1 through 5.

MR. UTZ: Without objection, Exhibits 1 through 5 are entered in the record.

MR. RUSSELL: I have no further questions at this time.

MR. PORTER: This question has no bearing on this particular case, but it appears that your Square Lake flood is highly successful?

A Yes, sir. It isn't a high injection rate flood; it's going to be of relatively long life, and there are various problems involved in the producing wells that have run the expense up, but we are moving oil; and as far as flooding excessively, it has flooded very well.

Q What about recovery in comparison to primary? This is one of the oldest wells in Eddy County, I know.

A We adjust our reserves every year, depending on our experience with the past year; but it looks like it should come in with the one-time primary if we could speed the thing up and get more water in the ground--I think the recovery would be more; but some of that oil is going to be coming so slow at the end, it may become an economic problem.

MR. IRBY: Frank Irby, State Engineer's Office. Mr. Ledbetter, I presume you're going to test this casing before

dearnley-meier

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you start injecting?

A Yes, we can. It wouldn't be the normal procedure to test casing that's brand-new and run in the hole. We don't even test it when we are without--but we will. It just so happens that you almost always get a pretty good test, due to the fact that when you perforate it you can't pump into it and fracture treat it without going to pretty high pressure--break it down, in other words, but the normal procedure would be to be sure it's properly run and cemented properly, and then just go ahead with our completion. To some extent, when you're pumping plug down, if it goes down and displaces with the right amount of water, you know you're pumping around the shoe; and we feel that when we put in new casing, these people do test it at the plant, and know they're supplying us with good material.

MR. PORTER: Will you run water shutoff tests?

A Yes, sir, we will pump plug down on something like this, and we will know if that water was to ever lower in that casing before we perforate it--we would be finding it before it ever perforated.

MR. IRBY: Is it your plan, as I understand, to test and equip the well in the same manner as those that came under Order Number R-2823 and Mr. Porter's letter dated December 7th, 1964?

A I'm sorry, but I don't know which order that refers

to.

Q That was Case Number 3147, which was heard in December here, concerning your company and the same policy.

A Yes, our--I believe those wells were old producers which were to be converted to injection, and we do make definite tests on old wells to establish that the pipe is not leaking at this type of pressure. We don't--I wouldn't be making any special pressure tests other than when you pump your plug down you'll pump the plug down with about 800 to 1,000 pressure, and see if it's holding, which would test it up to that pressure during cementing operations; and we do also from time to time run a surface to find out where this water is going, but we have had--in fact, we probably will be dualing this thing at least part of the time, to check the water going into these zones, for engineering purposes, in trying to make this thing flood as well as we can.

MR. IRBY: Mr. Examiner, in view of the fact that I have written a letter to Mr. Russell, with copy to the Secretary-Director on February 23, 1965, I would make a statement now--that the State Engineer offers no objection to the granting of this application, provided the conditions of approval are equal to those contained in Order Number 2823 and Mr. Porter's letter of December 7th, 1964, both of which resulted from the hearing in Case Number 3149 concerning the same company and the same

pool. And I have no further questions.

MR. UTZ: Are there any further questions of the witness?

MR. DURRETT: I have a question, Mr. Ledbetter. I believe, if I understand you correctly, it is your opinion that conducting this flood that you are presently conducting, has swept oil in a northeasterly direction, probably past your Newmont Fidel Wells Number 3 and 4 and your Newmont Bruning Unit Well Number 4, and that this proposed well would serve to move that oil back into the interior of your flood? Is that correct?

A Yes, sir--that's the exact purpose of this well.

Q I wonder about this Kennedy Number 3, which looks like it's in the northwest of the northwest of Section 28. Do you think that well will receive a response from your proposed injection well here?

A It's in a real favorable position and should receive a response, in my opinion.

Q I was going to ask if you had contacted them, but I see we have a letter in our file from Kennedy Oil Company, which states that they offer no objection to the application as long as Number 5 is used solely as a water injection well. You have discussed this with them?

A Yes, sir, we have; but there isn't much that Mr.

dearnley-meier

DEPOSITIONS, HEARINGS, STATEMENTS, DAILY COPY, CONVENTIONS

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, DAILY COPY, CONVENTIONS

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Kennedy can do to help us, as far as cooperating in this particular position--it's the lease to the north that happens to be critical.

Q He has no objection at all?

A No.

Q Would that also be true as far as his Kennedy Federal

A Number 3?

A Yes, sir.

Q That is to the north here?

A Yes, sir.

Q What about the DOB lease? Do you think any of those wells might be affected?

A Yes, sir.

Q Have you--I know you said you'd been trying to enter into an agreement with them; but have you discussed the matter of putting this injection well at your proposed location with them?

A No, we did not make any particular discussion of this problem we have.

Q At any rate, they have not contacted you and said they have no specific objection?

A They have registered no objection.

Q I have one other question. What is a metal paddle basket?

A Like a metal umbrella turned upside down.

Q What does it do?

A Holds the cement from going down the hole, and keeping any gravity difference between the mud and cement from going into effect. It just runs in and you put a weight on top and it folds out in leaves--turns out and looks like an upside-down umbrella, to hold the cement in place until it sets. It has no other purpose.

MR. UTZ: Who is the DOB Oil Company?

A Their office that we have contacted is in Midland, Texas, and the management of it is--I'm not sure who the management of it is right now.

MR. UTZ: Are there any further questions?

REDIRECT EXAMINATION

BY MR. RUSSELL:

Q I just want to ask one question. At what pressure will water be injected in this well?

A We anticipate pressure of up to about 2,600 pounds.

MR. UTZ: Are there any further questions? ... The witness may be excused. Are there other statements in this case? The case will be taken under advisement. The hearing is adjourned.

* * *

dearnley-meier

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

1120 SIMMS BLDG. • P. O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO

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STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

I, ELIZABETH K. HALE, Notary Public and Court Reporter,
do hereby certify that the proceedings in the foregoing case
were taken and transcribed by me, and that the foregoing is a
true and correct transcript of proceedings to the best of my
knowledge, skill and ability.

IN WITNESS WHEREOF, my hand and seal of office this 29th
day of March, 1965.

Elizabeth K. Hale
Notary Public

My commission expires
May 23, 1968.

I hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 3218
heard by me on April 10, 1965.
Wm. G. [Signature] Examiner
New Mexico Oil Conservation Commission

NEW MEXICO OIL CONSERVATION COMMISSION

GAS-OIL RATIO REPORT

OPERATOR NEWMONT OIL COMPANY POOL EAST SQUARE LAKE
ADDRESS ROOM 303 FIRST NATIONAL BANK BLDG. MONTH OF Various months as noted below
SCHEDULED TEST _____ COMPLETION TEST _____ SPECIAL TEST X (Check One)
(See Instructions on Reverse Side)

Lease	Well No.	Date of Test	Producing Method	Choke Size	Test Hours	Daily Allowable Bbls.	Production During Test			GOR Cu. Ft. Per Bbl.
							Water Bbls.	Oil Bbls.	Gas MCF	
Fidel Fed. A	4	1-63	Pump		24		6	40	NA	
	4	2-63	Pump		24		8	42	NA	
	4	3-63	Pump		24		8	15	NA	
	4	4-63	Pump		24		3	55	NA	
	4	5-63	Pump		24		2	50	NA	
	4	6-63	Pump		24		0	62	NA	
	4	7-63	Pump		24		3	63	NA	
	4	8-63	Pump		24		3	56	NA	
	4	9-63	Pump		24		3	61	NA	
	4	11-63	Pump		24		4	49	NA	
	4	2-64	Pump		24		5	48	NA	
	4	5-64	Pump		24		5	49	NA	
	4	8-64	Pump		24		2.4	43	NA	
	4	11-64	Pump		24		0	58	NA	

No well will be assigned an allowable greater than the amount of oil produced on the official test.

During gas-oil ratio test, each well shall be produced at a rate not exceeding the top unit allowable for the pool in which well is located by more than 25 percent. Operator is encouraged to take advantage of this 25 percent tolerance in order that well can be assigned increased allowables when authorized by the Commission.

Gas volumes must be reported in MCF measured at a pressure base of 15.025 psia and a temperature of 60 degrees F. Specific gravity base will be 0.60.

Mail original and one copy of this report to the district office of the New Mexico Oil Conservation Commission. In accordance with Rule 301 and Appropriate Pool Rules.

(I certify that the information given is true and complete to the best of my knowledge.)

Date March 2, 1965

NEWMONT OIL COMPANY

By L. J. L. L. L.
Division Superintendent
Title

BEFORE EXAMINER NUTTER
OIL CONSERVATION
EXHIBIT NO. 2
CASE NO. 3218

NEW MEXICO OIL CONSERVATION COMMISSION

GAS-OIL RATIO REPORT

OPERATOR HEMMONT OIL COMPANY POOL EAST SQUARE LAKE
ADDRESS ROOM 303 FIRST NATIONAL BANK BLDG. MONTH OF Various as noted below, 1955
SCHEDULED TEST COMPLETION TEST SPECIAL TEST X (Check One)
(See Instructions on Reverse Side)

Lease	Well No.	Date o. Test	Producing Method	Choke Size	Test Hours	Daily Allowable Bbls.	Production During Test			GOR Cu. Ft. Per Bbl.
							Water Bbls.	Oil Bbls.	Gas MCF	
Fidel Fed. A	3	1-63	Pump		24		8	35	NA	
	3	2-63	Pump		24		8	35	NA	
	3	3-63	Pump		24		8	40	NA	
	3	4-63	Pump		24		3	50	NA	
	3	5-63	Pump		24		1	50	NA	
	3	6-63	Pump		24		6	34	NA	
	3	7-63	Pump		24		0	74	NA	
	3	8-63	Pump		24		0	56	NA	
	3	9-63	Pump		24		0	60	NA	
	3	11-63	Pump		24		0	49	NA	
	3	2-64	Pump		24		0	64	NA	
	3	3-64	Pump		24		0	55	NA	
	3	4-64	Pump		24		0	58	NA	
	3	8-64	Pump		24		0	67	NA	
	3	11-64	Pump		24		0	60	NA	

No well will be assigned an allowable greater than the amount of oil produced on the official test.

During gas-oil ratio test, each well shall be produced at a rate not exceeding the top unit allowable for the pool in which well is located by more than 25 percent. Operator is encouraged to take advantage of this 25 percent tolerance in order that well can be assigned increased allowables when authorized by the Commission.

Gas volume reported in MCF measured at a pressure base of 15.025 psia and temperature of 60 degrees F. Specific gravity base will be 0.60.

Mail original and one copy of this report to the district office of the New Mexico Oil Conservation Commission. In accordance with Rule 301 and appropriate Pool Rules.

(I certify that the information given is true and complete to the best of my knowledge.)

Date March 2, 1955

HEMMONT OIL COMPANY
Company

By Hermont Redutter

Division Superintendent

Title

BEFORE EXAMINER NUTTER

OIL CONSERVATION COMMISSION

EXHIBIT NO. 3

CASE NO. 3218

NEW MEXICO OIL CONSERVATION COMMISSION

GAS-OIL RATIO REPORT

OPERATOR HEYMONT OIL COMPANY POOL EAST SQUARE LAKE POOL
ADDRESS ROOM 303 FIRST NATIONAL BANK BLDG. MONTH OF Various months as noted below, 1965
SCHEDULED TEST COMPLETION TEST SPECIAL TEST X (Check One)
(See Instructions on Reverse Side)

Lease	Well No.	Date of Test	Producing Method	Choke Size	Test Hours	Daily Allowable Bbls.	Production During Test			GOR Cu. Ft. Per Bbl.
							Water Bbls.	Oil Bbls.	Gas MCF	
Bruning Unit Federal	4	1-62	Pump		24		0	10	NA	
	4	6-62	Pump		24		0	14	NA	
	4	1-63	Pump		24		0	75	NA	
	4	2-63	Pump		24		0	75	NA	
	4	3-63	Pump		24		0	99	NA	
	4	5-63	Pump		24		0	126	NA	
	4	7-63	Pump		24		8	75	NA	
	4	8-63	Pump		24		11	74	NA	
	4	11-63	Pump		24		11	66	NA	
	4	3-64	Pump		24		17	48	NA	
	4	5-64	Pump		24		19	47	NA	
	4	6-64	Pump		24		19	45	NA	
	4	10-64	Pump		24		23	49	NA	
	4	11-64	Pump		24		23	45	NA	

No well will be assigned an allowable greater than the amount of oil produced on the official test.

During gas-oil ratio test, each well shall be produced at a rate not exceeding the top unit allowable for the pool in which well is located by more than 25 percent. Operator is encouraged to take advantage of this 25 percent tolerance in order that well can be assigned increased allowables when authorized by the Commission.

Gas volumes must be reported in MCF measured at a pressure base of 15.025 psia and a temperature of 60 degrees F. Specific gravity base will be 0.60.

Mail original and one copy of this report to the district office of the New Mexico Oil Conservation Commission. In accordance with Rule 301 and Appropriate Pool Rules.

(I certify that the information given is true and complete to the best of my knowledge.)

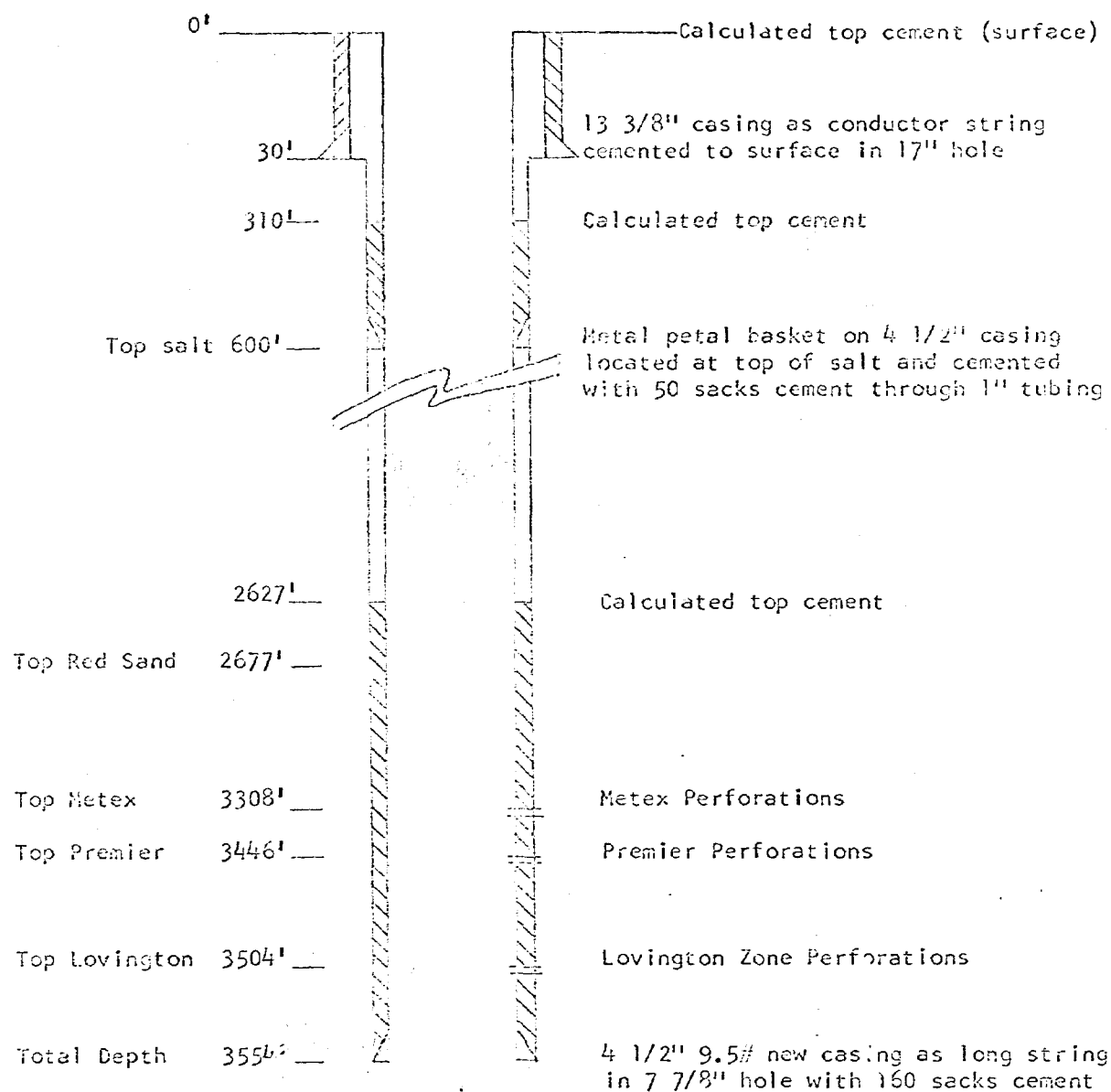
Date March 2, 1965

BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
EXHIBIT NO. 34
CASE NO. 3218

HEYMONT OIL COMPANY
By Harmon J. Ledbetter
Division Superintendent
Title

NEWMONT OIL COMPANY
FIDEL FEDERAL A NO. 5 INJECTION WELL

DIAGRAMMATIC SKETCH PROPOSED WELL
WITH ANTICIPATED DEPTH INTERVALS
50 FT. FNL 50 FT. FEL
SEC. 29 T16S R31E
EDDY COUNTY, NEW MEXICO



In the event circulation is lost prior to encountering top of salt, 8 5/8" new casing will be set to top of salt with 50 sacks of cement.

NEWMONT OIL COMPANY
OIL REGULATION COMMISSION
EXHIBIT NO. 5
FILE NO. 3218

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