LLOYD DAVIDSON President

P.O. Box 2182 SANTA FE, NEW MEXICO 87501

August 23, 1974

OIL CONSERVACION COMM

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

Dear Sir:

Northern Minerals, Inc., has discovered Hospah sand oil production in Section 29, Tl6N-R6W, McKinley County, New Mexico. The field is being water-flooded. Water is being taken from the Massive Gallup and injected into the Hospah sand. Permission was granted for the pilot injection operations in case number 5072.

Northern Minerals owns a lease on all off-setting tracts to the present production. Northern Minerals wishes to request that a hearing be held in connection with this field to consider issuing field rules on the following matters.

- 1. Field name. Northern Minerals suggests the name "Miguel Creek".
- 2. Elimination of surface pipe. The two shallow water zones in this area are the Point Lookout and Massive Gallup. Wells in this field spud below the Point Lookout and do not penetrate the Massive Gallup. Hence, there is no need for surface pipe to protect water zones.
- 3. Permission to eliminate tubing in injection wells and to allow injection through casing. Northern Minerals in it's pilot operation in this field has injected through casing for many months with good results and wishes to continue this practice.
- 4. Permission to drill additional injection wells and inject water without having a hearing on each such well.
- 5. Permission to drill development wells at unorthodox locations (because of the topographical situation) without getting special permission for each well. Two water-ways course through this field. See accompanying map. Arroyo Chico and Miguel Creek. Many of the future wells will have to be drilled at unorthodox locations in order not to drill in the beds of these water-ways.

Very truly yours,

DOCKET MAILED

7-6-74 Northern Minerals, Inc.

cc: Mr. Emery Arnold
Oil Conservation Commission Aztec, New Mexico

Llayd Danisson By: Lloyd Davidson, President Zenith Energy

OCT 2 1 1980

CL CONS SANTA TE STATE ON

Callup

TELEPEONE 214-983-1726

P.O. Box 1038 Kilgore, Texas 75662

October 17, 1980

Oil Conservation Commission P. O. Box 2088 Santa Fe, New Mexico 87501

Attention: Mr. Ramey, Division Director

Gentlemen:

As requested in our meeting on October 10, 1980, Zenith Energy requests resumption of the waterflood in the Sam Miguel Creek, Field by administrative approval. The rules and regulations were set forth by the Commission on September 18, 1974 Case #5321, Order #R4875.

Zenith Energy wishes to resume injection into S.F.P.R.R. #6Y. Also Zenith would like to expand the waterflood injection into S.F.P.R.R. #24. The booklet that was left with you during our meeting contains all the information for making application for additional wells in the waterflood. Also Forms C101, C102, C103, C104 and C105 have been filed with the Division office in Aztec.

We certainly appreciate your attention to this matter. If you have any further questions, feel free to contact me at our Kilgore office.

Very truly yours,

ZENITH ENERGY CORPORATION

Gary L. Blanks

Vice President of Exploration & Development

GLB/dsl



STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION

October 21, 1980

POST OFFICE BOX 2088 STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO 87501 (505) 827-2434

Zenith Energy Corporation Box 1038 Kilgore, Texas 75662

Attention: Mr. Gary L. Blanks

Gentlemen:

This office has no objection to your resuming waterflood operations in the Miguel Creek Gallup Pool. However, before the project can be expanded it will be necessary that you make proper application as provided in Division Rule 701.

Yours very truly,

JOE D. RAMEY Director

JDR/fd

cc: OCD Aztec

OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO P. O. BOX 2088 - SANTA FE 87501

August 30, 1974

I. R. TRUJILLO
CHAIRMAN

LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER

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

Mr. Lloyd Davidson Northern Minerals, Inc. P. O. Box 2182 Santa Fe, New Mexico 87501

Dear Mr. Davidson:

Your request for permission to convert your SFPRR Well No. 8 to an injection well, dated August 28, 1974, has been received and reviewed.

It should be noted that on October 3, 1973, the Oil Conservation Commission, at a public hearing, considered your application for a waterflood project in Case 5072. Subsequently Order No. R-4649 authorized institution of such a project by injection of water into the Gallup formation through the casing of your SFPRR Well No. 6-Y. One of the provisions stipulated that this authorization would be for a sixmonth period only, at which time injection through casing would terminate. On June 20, 1974, you requested a sixmonth extension of this order. At that time you were given permission to continue injecting water through the casing of your Well No. 6-Y until such time as another hearing could be held to consider elimination of the requirements for injection of water through tubing set in a packer. This hearing is scheduled for September 18, 1974, and the subject matter will be considered by Case 5321.

In view of the foregoing, it has been determined that you should be granted permission to convert your Well No. 8 to an injection well and inject water through the casing into the Hospah Sand as requested. Furthermore, such authorization is only for the period from date of this letter until Case 5321 has been heard and a decision pertaining thereto has been reached.

Yours truly,

CARL ULVOG Senior Geologist

CU/og