

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF)
NEWMONT OIL COMPANY FOR AN ORDER)
AMENDING ORDERS NO. R-1110 and R-)
1110-A TO PROVIDE FOR APPROVAL OF A)
PROJECT AREA FOR ITS SQUARE LAKE POOL)
WATERFLOOD PROJECT IN SECTIONS 19, 28,)
29,30, 32, 33 and 34, TOWNSHIP 16)
SOUTH, RANGE 31 EAST, EDDY COUNTY,)
NEW MEXICO, AND PROVIDING PROCEDURES)
FOR EXPANSION WITHIN SAID PROJECT AREA.)
_____)

Case No. 12,749

APPLICATION

COMES NOW Applicant, Newmont Oil Company, by its attorneys,
Campbell & Russell, and states:

1. It is the operator of a pilot waterflood project in
the Square Lake Pool, Eddy County, New Mexico, authorized by the
Commission in its Orders No. R-1110 and R-1110-A dated January 15,
1958 and April 3, 1958, respectively.

2. The presently developed area of said project has
established the feasibility of waterflooding the Lower Grayburg and
Upper San Andres formations in said pool and has further established
that such flooding will result in increased ultimate recovery of
oil and will, therefore, prevent waste.

3. Applicant has an agreement with Southern Petroleum
Exploration Company (as to the NE $\frac{1}{4}$ of Section 32) and Kennedy Oil
Company (as to the ^{W $\frac{1}{2}$ SW $\frac{1}{4}$} ~~E $\frac{1}{2}$ SW $\frac{1}{4}$~~ - Section 28; E $\frac{1}{2}$ NW $\frac{1}{4}$, E $\frac{1}{2}$ NE $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$ - Sec-
tion 33; W $\frac{1}{2}$ SW $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$ - Section 34) whereby the Applicant,
as Operator, will expand the pilot area to include the above-described
and other tracts (owned by Applicant), under proper orders of the
Commission.

4. Orders R-1110 and R-1110-A were entered prior to the revisions of Rule 701 and this Application involves a legitimate expansion of a then-existing waterflood project.

WHEREFORE, Applicant requests the Commission to set this matter down for hearing before an Examiner, publish notice as required by law and, after hearing, to issue its order:

1. Defining the proper limits of the Square Lake Pool waterflood project;

✓ 2. Establishing rules for expansion of the flood within the defined area; and

✓ 3. Providing for capacity allowables for the area in a like manner as such allowables are now being permitted in the pilot area.

Respectfully submitted

NEWMONT OIL COMPANY

By Jack M. Campbell
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DATED: May 8, 1961