



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION



BRUCE KING  
GOVERNOR

April 5, 1993

ANITA LOCKWOOD  
CABINET SECRETARY

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87504  
(505) 827-5800

Yates Petroleum Corporation  
105 South Fourth Street  
Artesia, NM 88210

Attention: Robert S. Fant

**RE: Injection Pressure Increase West Loco Hills Unit Tract 1,  
Well No. 9 Waterflood Project Eddy County, New Mexico**

Dear Mr. Fant:

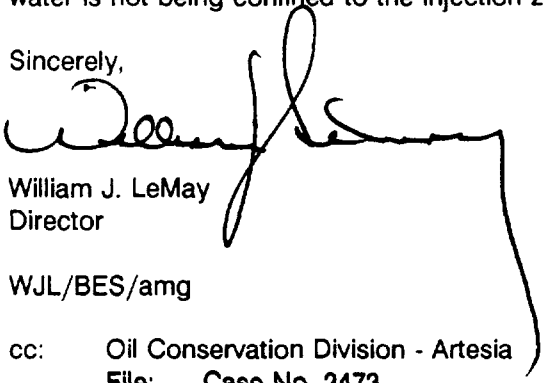
Reference is made to your request dated March 16, 1993 to increase the surface injection pressure on the above-referenced well. This request is based on a step rate tests conducted on this well on March 5, 1993. The results of the test have been reviewed by my staff and we feel an increase in injection pressure on this well is justified at this time.

You are therefore authorized to increase the surface injection pressure on the following well:

Well and Location	Maximum Injection Surface Pressure
WLHU Tract 1 Well No. 9 1980' FNL - 40' FWL Unit E, Section 7, Township 18 South, Range 30 East	1275 PSIG
The well is located in Eddy County, New Mexico.	

The Division Director may rescind this injection pressure increase if it becomes apparent that the injected water is not being confined to the injection zone or is endangering any fresh water aquifers.

Sincerely,

  
William J. LeMay  
Director

WJL/BES/amg

cc: Oil Conservation Division - Artesia  
File: Case No. 2473  
D. Catanach

A. J. LOSEE  
EDWARD B. STEWART

LAW OFFICES  
LOSEE AND STEWART  
CARPER BUILDING - P. O. DRAWER 239  
ARTESIA, NEW MEXICO

24 March 1962

1002 MAR 1

03



Mr. Richard Morris, Attorney  
New Mexico Oil Conservation Commission  
Land Office Building  
P. O. Box 871  
Santa Fe, New Mexico


Re: Oil Conservation Commission (Case No. 2473)  
Newmont Oil Company, Applicant

Dear Mr. Morris:

We supplement our application mailed to you on March 21, 1962, in the above styled case by enclosing herewith Exhibit 1 (a plat showing the location of the presently proposed injection wells and the location of all other wells and the names of the lessees within a radius of two miles from said presently proposed injection wells) and Exhibit 2 (which is the injection well casing program). These enclosures are each in triplicate.

Thank you in advance for your continued assistance in this matter.

Very truly yours,



A. J. Losee

AJL/vo

Encl.

cc: Yates Petroleum Corporation

Mr. Charles Langdon, Vice President  
Newmont Oil Company  
Fort Worth National Bank Building  
Fort Worth, Texas

NEWMONT OIL COMPANY

FORT WORTH NATIONAL BANK BUILDING

FORT WORTH 2, TEXAS

March 20, 1962

Mr. A. J. Losee  
Losee and Stewart  
Carper Building  
Artesia, New Mexico

Dear Mr. Losee:

The casing programs on the West Loco Hills Unit which you requested are as follows:

Newmont Canfield "A" No. 1  
8" @ 422' w/50 sacks  
7" @ 2671' w/100 sacks

Dixon-Yates Ballard "B" No. 1  
8½" @ 425' (No cement  
7" @ 2520' record)

Dixon-Yates Federal No. 2  
8½" @ 441' (No cement  
7" @ 2701' record)

We are also enclosing four copies of the West Loco Hills Unit map showing the development pattern.

Very truly yours,

NEWMONT OIL COMPANY

  
Frank Darden

FD:hd  
Enclosures

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

January 30, 1962

Re: CASE NO. 2473

ORDER NO. R-2178

APPLICANT:

Newmont Oil Company

Mr. Jack Campbell  
Campbell & Russell  
P. O. Drawer 640  
Roswell, New Mexico

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. Howard Bratton (Humble)

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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

January 9, 1962

MEMORANDUM

TO: GOVERNOR EDWIN L. MECHEM  
LAND COMMISSIONER E. S. JOHNNY WALKER

FROM: A. L. PORTER, JR., SECRETARY-DIRECTOR

SUBJECT: CASE NO. 2473, APPLICATION OF NEWMONT OIL COMPANY  
FOR EXPANSION OF ITS LOCO HILLS WATERFLOOD PROJECT

Newmont Oil Company, the applicant in the subject case, was authorized by Order No. R-1267, entered in Case No. 1511 on October 25, 1958, to institute a pilot waterflood project in the Loco Hills Pool in Eddy County. The initial pilot project has been expanded administratively on several previous occasions. In the subject application, which was heard by Examiner Nutter on January 4, 1962, Newmont seeks permission to expand this waterflood project to encompass an additional 5,320 acres in the Loco Hills Pool.

The most important issue in the case concerns the allowable to be assigned to the wells in the area of the expanded project. The applicant requests that the entire waterflood project, as expanded, be assigned capacity allowables. The protestants in the case, which include Humble Oil and Refining Company and Amerada Petroleum Corporation, suggest that the expanded area of the waterflood be governed by the provisions of Rule 701 which would restrict allowables.

The following information is offered for your consideration in determining this question:

Order No. R-1267 which authorized Newmont to institute the pilot waterflood project in the Loco Hills Pool was entered

January 9, 1962

MEMORANDUM

TO: GOVERNOR EDWIN L. MECHEM  
LAND COMMISSIONER E. S. JOHNNY WALKER

at a time when all waterflood projects could be produced at capacity. Following the authorization of this pilot project, the Commission promulgated Rule 701 restricting allowables to be assigned to waterflood projects. The order promulgating Rule 701 contained the following proviso:

"Provided however, That the allowable provisions contained in revised Rule 701 shall not apply to waterflood projects heretofore authorized by the Commission or to legitimate expansions thereof."

There is little in the record or in the findings of this order to clarify what is meant by "legitimate expansions." The decision in the subject case depends upon the interpretation the Commission places upon this term. If the proposed expansion is "legitimate" then it would follow that capacity allowables should be authorized; if the proposed expansion is not "legitimate" then it would follow that allowables should be restricted by the provisions of Rule 701.

At the hearing of the present case, some discussion was had concerning this issue and several factors were suggested by various participants in determining the "legitimacy" of the proposed expansion:

- (1) Whether the expansion is in the same geologic formation as the existing flood.
- (2) Whether the expansion is geographically adjacent to the existing flood.
- (3) Whether the expansion is owned or operated by the owner or operator of the existing flood.
- (4) Whether the direction of the existing flood would continue into the expanded area.
- (5) Whether capacity allowables are necessary to protect correlative rights.
- (6) Whether capacity allowables are necessary to prevent waste, and in this connection, whether a change in the rate of injection in proceeding from an existing flood to an expansion thereof would cause waste.

January 9, 1962

MEMORANDUM

TO: GOVERNOR EDWIN L. MECHEM  
LAND COMMISSIONER E. S. JOHNNY WALKER

The applicant in this case had given no consideration and therefore had no recommendation to make concerning the establishment of a buffer zone between the existing project and its proposed expansion. As stated above, Newmont's request is for capacity allowables upon the premise that the proposed expansion is a legitimate expansion of the previously authorized project. It is felt that the order to be entered in this case should make a declaration of Commission policy with regard to the issue of allowables inasmuch as there will be other cases brought to the Commission similar in nature to the subject case.

Following the Commission hearing scheduled for Wednesday, January 17, 1962, Examiner Nutter will be available to discuss the subject case and to present his recommendations.

## CLASS OF SERVICE

This is a fast message unless its deferred character is indicated by the proper symbol.

# WESTERN UNION

## TELEGRAM

W. P. MARSHALL, PRESIDENT

## SYMBOLS

DL=Day Letter  
NL=Night Letter  
LT=International Letter Telegram

The filing time shown in the date line on domestic telegrams is LOCAL TIME at point of origin. Time of receipt is LOCAL TIME at point of destination

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DANIEL S NUTTER, NEW MEXICO OIL CONSERVATION COMMISSION=  
CAPITOL BLDG SANTA FE NMEX=

RE: CASES 2472 AND 2473 DOCKET NO 1-62.

GRARIDGE CORPORATION AS A WORKING INTEREST OWNER IN THE PROPOSED WEST LOCO HILLS GRAYBURG #4 SAND UNIT SUPPORTS NEWMONT OIL COMPANY'S APPLICATION FOR APPROVAL OF THIS UNIT FOR THE PURPOSE OF CONDUCTING SECONDARY RECOVERY OPERATIONS. NEWMONT'S CURRENT SECONDARY RECOVERY PROJECT IN THE LOCO HILLS FIELD IN THE GRAYBURG #4 SAND HAS DEMONSTRATED WATER FLOODING TO BE A SOUND CONSERVATION MEASURE IN RECOVERING OIL WHICH OTHERWISE WOULD REMAIN IN THE GRAYBURG RESERVOIR. GRARIDGE FURTHER SUPPORTS NEWMONT'S APPLICATION TO DEVELOP THE SUBJECT UNIT AS A LOGICAL EXPANSION TO ITS LOCO HILLS WATERFLOOD PROJECT AND THAT OPERATION OF THE UNIT SHOULD BE CONDUCTED IN ACCORDANCE WITH THE SAME SOUND ENGINEERING PRACTICES AND PROGRAM THAT HAVE RESULTED IN SUCCESS IN THIS FIELD. WE RESPECTFULLY REQUEST THAT THE OIL CONSERVATION COMMISSION GRANT APPROVAL OF THE APPLICATIONS MADE BY NEWMONT THROUGH CASES 2472 AND 2473 ON DOCKET NO 1-62=

GRARIDGE CORP O H REAUGH VICE PRESIDENT==

2472 2473 1-62 #4 #4 2472 2473 1-62.

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE



*File 2473*

LAW OFFICES OF  
**CAMPBELL & RUSSELL**  
P. O. DRAWER 640  
ROSWELL, NEW MEXICO

JACK M. CAMPBELL  
JOHN F. RUSSELL

TELEPHONES  
MAIN 2-4641  
MAIN 2-4642

December 12, 1961

Oil Conservation Commission  
P. O. Box 871  
Santa Fe, New Mexico

Gentlemen:

Enclosed for filing please find Application of Newmont Oil Company for the approval of an expansion of the Newmont Oil Company Loco Hills Waterflood Project. The enclosed is sent to you for the purpose of publication.

We will furnish you with Exhibit 1 and Exhibit 2 in a few days and we will forward a copy of the complete application to the State Engineer at that time.

Very truly yours,

*[Signature]*  
Jack M. Campbell

For CAMPBELL & RUSSELL

JMC:np

Enclosure

*Rec'd  
Filed  
12-20-61  
JL*

LAW OFFICES OF  
**CAMPBELL & RUSSELL**  
P. O. DRAWER 640  
ROSWELL, NEW MEXICO

JACK M. CAMPBELL  
JOHN F. RUSSELL

TELEPHONES  
MAIN 2-4641  
MAIN 2-4642

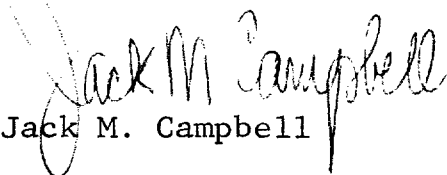
December 21, 1961

Oil Conservation Commission  
P. O. Box 871  
Santa Fe, New Mexico

Gentlemen:

Enclosed for addition to our application in  
Case No. 2473 please find three copies each of Exhibits  
"1" and "2".

Very truly yours,



Jack M. Campbell

For CAMPBELL & RUSSELL

JMC:np

Enclosures

EXHIBIT "2"

The casing programs for the proposed injection wells in the West Loco Hills Unit are as follows:

Newmont Canfield "A" No. 1  
8" @ 422' w/50 sacks  
7" @ 2671' w/100 sacks

Dixon-Yates Ballard "B" No. 1  
8 $\frac{1}{4}$ " @ 425' (No cement  
7" @ 2520' record)

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