

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF  
NEWMONT OIL COMPANY FOR A DEVELOPMENT  
PLAN FOR THE DEVELOPMENT OF THE LOCO  
HILLS WATERFLOOD PROJECT UNDER THE TERMS  
AND CONDITIONS OF COMMISSION ORDER NO. R-2178  
BY CONVERTING WELLS TO WATER INJECTION BY  
STAGES.

No. 2578

APPLICATION

COMES NOW Newmont Oil Company, by its attorneys, and  
states:

1. It is the operator of the Loco Hills Waterflood  
Project in Eddy County, New Mexico.

2. By its Order No. R-2178 in Case No. 2473, the  
Commission defined the project area, created a buffer zone,  
and provided that, except for said buffer zone, the project  
would be operated in accordance with the provisions of Rule  
701 E of the Commission Rules and Regulations.

3. In order to operate said project area efficiently  
and remain within the allowable provisions of said Order No.  
R-2178, Applicant requests:

A. The entire buffer zone, as designated by Order No.  
2178-A, be placed under waterflood development as soon as the  
unit can be formed and put into operation.

B. On January 1, 1963, waterflood development be  
expanded to cover the following acreage. This would be designated  
as Stage I.

Record in  
Case 2472 & 2473  
are ~~also~~ incorporated  
into the  
record of  
Case 2578  
by reference

Township 18 South, Range 29 East

Section 2:  $E\frac{1}{2}$   
Section 11:  $NE\frac{1}{4}, N\frac{1}{2}SE\frac{1}{4}$   
Section 12:  $S\frac{1}{2}, S\frac{1}{2}NW\frac{1}{4}$

C. Stage II, which could be developed July 1, 1963,  
would include:

Township 18 South, Range 29 East

Section 2:  $W\frac{1}{2}$   
Section 11:  $W\frac{1}{2}$   
Section 13:  $NE\frac{1}{4}$

Township 18 South, Range 30 East

Section 18: All of Section 18 in the unit area

D. Stage III will be developed on January 1, 1964, and  
would include the following acreage:

Township 18 South, Range 29 East

Section 3:  $E\frac{1}{2}$   
Section 10:  $E\frac{1}{2}$   
Section 15:  $W\frac{1}{2}NE\frac{1}{4}$

E. Stage IV can be developed on July 1, 1964, and will  
include:

Township 18 South, Range 29 East

Section 3:  $W\frac{1}{2}$   
Section 10:  $W\frac{1}{2}$   
Section 15:  $NW\frac{1}{4}$

F. Stage V which will complete development of the West  
Loco Hills Unit will be permitted on January 1, 1965 and will  
include:

Township 18 South, Range 29 East

Section 4:  $E\frac{1}{2}SE\frac{1}{4}$   
Section 9:  $E\frac{1}{2}$

4. By this development plan the West Loco Hills Unit would  
earn the following waterflood allowables for the unit area as follows:

On the date of buffer zone development, estimated to be on or about July 1, 1962, - 574 barrels per day (this will apply to the prorated portion of the unit since the buffer zone will enjoy capacity allowable). The total unit allowable outside the buffer zone will increase with development as presented below:

Stage I	- January 1, 1963	- 1694 barrels per day
Stage II	- July 1, 1963	- 2436 barrels per day
Stage III	- January 1, 1964	- 3206 barrels per day
Stage IV	- July 1, 1964	- 3794 barrels per day
Stage V	- January 1, 1965	- 3920 barrels per day

Applicant attaches a copy of the West Loco Hills Unit development plan with the stages marked.

APPLICANT FURTHER REQUESTS the Commission to publish Notice of Hearing upon this application before an Examiner, or before the Commission, whichever hearing can be had at the earliest date.

DONE at Roswell, New Mexico, this 15<sup>th</sup> day of May, 1962.

Respectfully submitted,

NEWMONT OIL COMPANY

BY:

  
of Campbell & Russell