

FARMINGTON, N. M.  
PHONE 325-1112SANTA FE, N. M.  
PHONE 983-3971ALBUQUERQUE, N. M.  
PHONE 243-6691

BEFORE THE  
OIL CONSERVATION COMMISSION  
Roswell, New Mexico  
May 15, 1963

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IN THE MATTER OF: )

Application of Newmont Oil Company )  
for an amendment of Order No. R-2178-B. )  
Applicant, in the above-styled cause, )  
seeks an amendment of Order No. )  
R-2178-B, which order established an ) Case 2805  
administrative procedure for expansion )  
by stages of the Loco Hills Sand Unit )  
Waterflood Project, Eddy County, New )  
Mexico. Said amendment is necessitated )  
by unexpected delay in commencing )  
initial injection in the unit area. )  
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BEFORE: Honorable Jack M. Campbell  
Mr. A. L. "Pete" Porter  
Mr. E. S. "Johnny" Walker

TRANSCRIPT OF HEARING

MR. PORTER: We'll move on to Case 2805.

MR. DURRETT: Application of Newmont Oil Company for  
an amendment of Order No. R-2178-B.

MR. RUSSELL: I'm John F. Russell of Roswell appearing  
on behalf of Newmont Oil Company, and I have one witness.

(Witness sworn.)

MR. PORTER: At this time I would like to ask if there  
will be other appearances in this case. You may proceed, Mr.  
Ruswell. We'll ask your witness to stand and be sworn.



CHARLES C. LANGDON

called as a witness, having been first duly sworn, testified as follows:

DIRECT EXAMINATION

BY MR. RUSSELL:

Q Will you state your name, residence and position with the Newmont Oil Company?

A My name is Charles C. Langdon, Fort Worth, Texas. I'm Vice President and Manager of the Land and Legal Departments, Newmont Oil Company.

Q Are you familiar with the application which has been filed in Case 2805?

A I am.

Q Will you please explain to the Commission the purpose and reason for this application?

A Yes. At the hearing under 2178-A, I beg your pardon, 2178-B, the hearing date being had on June 7, 1962, and the order issued June 14, 1962, the Commission authorized Newmont to proceed by stages in waterflooding the West Loco Hills Grayburg No. 4 Sand Unit, the first stage to be commenced on January 1, 1963 and subsequent stages to be commenced at six-month intervals through five stages.

Unfortunately, we were a little optimistic as to understanding

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the time it might take to finalize all of the instruments necessary to conclude this unit and secure the signatures. We are presently running approximately eight months behind. At this point we anticipate that, and perhaps optimistically, that our unit will become effective around July 1, or perhaps August 1 of this year, and for this reason we are unable to meet the authorized commencement date of the various stages set out in the Order R-2178-B. We are now seeking a resetting of those commencement dates on the various stages.

Q Are you requesting that the commencement date for Stage 1 be the effective date of your unit agreement?

A No. On the effective date of our unit agreement we anticipate putting on the buffer zone which has been previously authorized by Order No. 2178 issued on 1-30-62, and approximately six months thereafter we will commence our Stage 1.

Q Then, the commencement date of Stage 1 you would like to have six months after the effective date of the unit agreement, is that correct?

A That is correct.

Q And then each subsequent stage you intend to keep the same time element as is in Order 2178-B, namely each stage to commence six months after the commencement of the prior stage?

A That is correct, yes.



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Q And in all other respects do you request that Order R-2178-B remain in effect?

A Yes, I did.

Q Do you have anything further you would like to say in this regard to the Commission?

A If possible I would like for the order to read that our first stage will not be on a certain date, but will read "to commence six months from the effective date of the unit", the effective date being the date that the Director of the Department of Interior finally approved our unit agreement.

I would be certainly willing to have a limitation on that date, preferably not later than September 1, 1963 being the effective date of the unit. Thereafter, the first stage would commence at some time between now and September 1st, 1963, but not later than September 1, 1963.

I feel that with that spread of dates that certainly we should be able to get the unit finally approved, and for the further information of the Commission I would like to say that we now of the agreements in final form, we have approximately 94% of the working interest signed up and we anticipate having a hundred percent within the next two to three weeks. We have well over the 75% of the royalty interest that the United States Geological Survey insists we must have for final approval, and



we should have no other problem.

MR. RUSSELL: That concludes the applicant's case.

CROSS EXAMINATION

BY MR. PORTER:

Q As I understand, the only change you are asking for in the present order is to extend the date forward?

A Exactly. That's all.

Q And you would be willing to put a limitation of September 1st, 1963?

A As of the effective date of the unit, and thereafter we would be required to commence the first stage six months from that date.

Q Six months after you started the first stage?

A Yes.

MR. PORTER: Any questions?

BY MR. NUTTER:

Q That first six-months' period would be the time in which you put the buffer zone on injection, would it not?

A That is true. We anticipate immediately upon the effective date to commence the buffer stage, and six months after the buffer stage has been on we anticipate and plan to start our Stage 1.

MR. NUTTER: Thank you.

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MR. PORTER: Anyone have a question of the witness?

He may be excused.

(Witness excused.)

MR. PORTER: Is there anything further to be offered in this case? The Commission will take the case under advisement.

STATE OF NEW MEXICO )  
 ) ss  
COUNTY OF BERNALILLO)

I, ADA DEARNLEY, Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission at Roswell, New Mexico, is a true and correct record to the best of my knowledge, skill and ability.

IN WITNESS WHEREOF I have affixed my hand and notarial seal this 4th day of June, 1963.

*Ada Dearnley*  
Notary Public-Court Reporter

My commission expires:

June 19, 1963.

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