

BEFORE THE OIL CONSERVATION COMMISSION
OF THE
STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
CONTINENTAL OIL COMPANY FOR APPROVAL
OF THE EUMONT-HARDY UNIT AGREEMENT
EMBRACING 1930.25 ACRES, MORE OR LESS,
LOCATED IN TOWNSHIP 20 SOUTH RANGES
37 AND 38 EAST AND TOWNSHIP 21 SOUTH
RANGES 36 AND 37 EAST, AMER. LEA COUNTY,
NEW MEXICO; FOR PERMISSION TO INSTALL
AND OPERATE A WATERFLOOD WITHIN THE
BOUNDARIES OF SAID UNIT AREA: AND FOR
PERMISSION TO PRODUCE THE UNIT WELLS
INTO A CENTRAL TANK BATTERY.

A P P L I C A T I O N

Comes now Applicant, Continental Oil Company, and respectfully requests approval of the Eumont-Hardy Unit Agreement, permission to install and operate a waterflood within said unit, and permission to produce the unit wells into a central tank battery. The Eumont-Hardy Unit Agreement embraces the following described acreage:

New Mexico Public Meridian

Township 20 South, Range 37 East

Section 25: S/2 S/2
Section 36: All

Township 20 South, Range 38 East

Section 31: Lots 1, 2, 3,
and 4, SE/4 SW/4

Township 21 South, Range 36 East

Section 1: Lots 1, 8, 9

Township 21 South, Range 37 East

Section 5: Lots 3, 4, 5,
and 6
Section 6: Lots 1 through 12,
14, 15, 16,
NE/4 SW/4, NW/4 SE/4

Containing 1930.25 acres, more or less, in Lea County, New Mexico,
and in support thereof Applicant would show:

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1. That the Rumont-Hardy Unit Agreement is attached hereto and marked Exhibit I.
2. Designation of Unit Area and preliminary approval of the Unit Agreement by the U. S. Geological Survey was given March 16, 1966.
3. That the attached lease plat marked Exhibit II shows the Rumont-Hardy Unit and surrounding area.
4. That production in the Unit Area is at an advanced stage of depletion and that recovery by primary methods is at or near the economic limit.
5. That engineering investigations indicate that waterflooding the Rumont-Hardy Unit Area will be physically and economically feasible.
6. That agreement between the Working Interest Owners has proceeded to the extent that a logical and systematic secondary recovery operation is assured.
7. That the formation to be unitized and waterflooded is the Yates, Sever Rivers and Queen formations which are specifically indicated on the radioactivity log of the Continental Oil Company State A-36 No. 10 well attached hereto and marked Exhibit III.
8. That all proposed injection wells are or will be completed in such a manner that injected water will be confined to the unitized formation. The present status of all proposed injection wells is shown on the tabulation of injection well data attached hereto and marked Exhibit IV.

9. That applicant proposes to inject a total of approximately 12,000 barrels of water per day into the 28 proposed injection wells on an 80-acre five-spot pattern. Said water will be obtained from the Cass-Pennsylvanian Pool approximately two miles northwest of the Unit boundary and/or the E-M-E Salt Water Disposal system.
10. That the said waterflood will be installed and operated in conformance with Rule 701E.
11. That the producing operations can be carried on more efficiently if all Unit wells are produced into a central tank battery, which will be served by automatic custody transfer equipment.
12. That the proposed unitization and secondary recovery will result in the recovery of hydrocarbons which would not be recovered by primary methods and is therefore in the interest of conservation and prevention of waste.

Wherefore, Applicant respectfully requests that this matter be set for hearing before the Commission's duly qualified Examiner and that upon hearing an order be entered approving the Eumont-Hardy Unit Agreement, granting permission to install and operate a waterflood within the Unit Area and permitting the production of the Unit wells into a central tank battery as described herein above.

Respectfully Submitted,

L. P. Thompson
per L. P. THOMPSON
District Manager
Hobbs District