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DAVID F. CARGO  
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State of New Mexico  
Oil Conservation Commission



LAND COMMISSIONER  
GUYTON B. HAYS  
MEMBER

STATE GEOLOGIST  
A. L. PORTER, JR.  
SECRETARY - DIRECTOR

P. O. BOX 2088  
SANTA FE

November 18, 1968

Mr. Jack Russell  
Attorney at Law  
Post Office Drawer 640  
Roswell, New Mexico 88201

Re: Case No. 3877  
Order No. R-3555  
Applicant:  
Newmont Oil Company

Dear Sir:

Enclosed herewith is a copy of the above-referenced Commission order recently entered in the subject case. Letter pertaining to conditions of approval and maximum allowable to follow.

Very truly yours,

*A. L. Porter, Jr.*  
A. L. PORTER, Jr.  
Secretary-Director

ALP/ir

Carbon copy of order also sent to:

Hobbs OCC x  
Artesia OCC \_\_\_\_\_  
Aztec OCC \_\_\_\_\_  
State Engineer x

Other \_\_\_\_\_

**OIL CONSERVATION COMMISSION**

**P. O. BOX 2088**

**SANTA FE, NEW MEXICO 87501**

**November 20, 1968**

**Mr. Jack Russell  
Attorney at Law  
Post Office Drawer 640  
Roswell, New Mexico 88201**

**Dear Sir:**

**Reference is made to Commission Order No. R-3555, recently entered in Case No. 3877, approving the Newmont Young Queen Waterflood Project and the Minntex Young Queen Section 17 Waterflood Project and the Minntex Young Queen Section 19 Waterflood Project.**

**Injection is to be through the 15 injection wells authorized for the Newmont project and through the one injection well authorized for each of the Minntex projects.**

**Both of the Minntex injection wells and each of the ten single Newmont injection wells shall be equipped with a string of tubing set in a packer as near as practicable to the uppermost perforation or, in the case of an open-hole completion, as near as practicable to the casing shoe. The casing-tubing annulus of each of these single injection wells shall be loaded with an inhibited fluid and equipped with a pressure gauge to facilitate detection of leakage in the casing, tubing, or packer.**

**In the case of the five dual zone injection wells, the Beard Young Federal Nos. 3 and 5 in Units O and L of Section 20, the Newmont Barton Federal No. 1 in Unit A of Section 29, and the Newmont Young Federal Nos. 7 and 8 in Units H and G of Section 20, all in Township 18 South, Range 32 East, injection is to be down tubing and down the casing-tubing annulus. Water injected down the annulus shall be limited to fresh water only or to water which is continuously treated with adequate corrosion inhibitor to prevent casing corrosion and leakage.**

**OIL CONSERVATION COMMISSION**

P. O. BOX 2088

-2-

**Mr. Jack Russell      SANTA FE, NEW MEXICO 87501**  
**Attorney at Law**  
**Post Office Drawer 640**  
**Roswell, New Mexico 88201**

C As to allowable, our calculations indicate that when all of the authorized injection wells have been placed on active injection, the maximum allowable which the Newmont project will be eligible to receive under the provisions of Rule 701-E-3 is 1232 barrels per day when the Southeast New Mexico normal unit allowable is 42 barrels per day or less. The maximum allowable for each of the Minntex projects is 84 barrels per day.

O Please report any error in this calculated maximum allowable immediately, both to the Santa Fe office of the Commission and the appropriate district proration office.

P In order that the allowable assigned to the project may be kept current, and in order that the operator may fully benefit from the allowable provisions of Rule 701, it behooves him to promptly notify both of the aforementioned Commission offices by letter of any change in the status of wells in the project area, i.e., when active injection commences, when additional injection or producing wells are drilled, when additional wells are acquired through purchase or unitization, when wells have received a response to water injection, etc.

Y Your cooperation in keeping the Commission so informed as to the status of the project and the wells therein will be appreciated.

Very truly yours,

**A. L. PORTER, Jr.**  
**Secretary-Director**

ALP/DSn/ir

cc: **Oil Conservation Commission**  
**Hobbs, New Mexico**

**U. S. Geological Survey**  
**Hobbs, New Mexico**

**Mr. D. E. Gray**  
**State Engineer Office**  
**Santa Fe, New Mexico**

LAW OFFICES OF  
JOHN F. RUSSELL  
412 HINKLE BUILDING  
P. O. DRAWER 640  
ROSWELL, NEW MEXICO 88201

TELEPHONE 622-4641  
AREA CODE 505

October 21, 1968

Mr. Elvis A. Utz, Examiner  
Oil Conservation Commission  
Box 2088  
Santa Fe, New Mexico 87501

Re: Case No. 3876 and 3877, Consolidated.

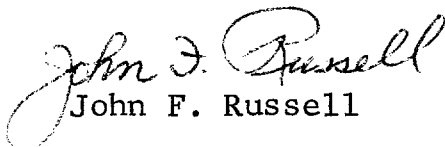
Dear Elvis:

I transmit herewith, in triplicate, the footage locations of the proposed injection wells for Newmont Oil Company's waterflood project which was presented in the above cases.

It is requested that these be made a part of the record.

Thanking you for your assistance in this matter, I remain

Very truly yours,

  
John F. Russell

JFR:d  
Enclosures

OPERATOR & WELL	LOCATION FOOTAGE	SECTION TOWNSHIP RANGE
<u>Beard Oil Company</u>		
Young Federal No. 3	990' FSL 1650' FEL 0	20-18S-32E <i>Beard</i>
Young Federal No. 4	660' FNL & 330' FEL A	17-18S-32E <i>Beard</i>
Young Federal No. 5	2310' FSL & 990' FWL L	20-18S-32E <i>Beard</i>
<u>Continental Oil Company</u>		
Cox Federal No. 3	1650' FSL & 1980' FWL A	17-18S-32E
Walker Federal No. 1	660' FSL & 660' FWL	9-18S-32E
<u>Minn-Tex Oil Company</u>		
Young Federal No. 4	330' FSL & 2310' FEL C	17-18S-32E <i>Beard</i>
<u>Newmont Oil Company</u>		
Barton Federal No. 1	660' FNL & 660' FEL A	29-18S-32E <i>Beard</i>
Barton Federal No. 3	330' FNL & 1650' FWL C	29-18S-32E <i>Beard</i>
Edwards Federal No. 1	330' FSL & 330' FWL M	21-18S-32E <i>Beard</i>
Lea State "HS" No. 1	1980' FNL & 660' FWL L	16-18S-32E <i>Beard</i>
Lea State "HS" No. 3	1980' FNL & 1980' FWL	16-18S-32E <i>Beard</i>
Young Federal No. 4	660' FNL & 660' FWL E	20-18S-32E <i>Beard</i>
Young Federal No. 7	2310' FNL & 990' FEL I	20-18S-32E <i>Beard</i>
Young Federal No. 8	2310' FNL & 2310' FEL A	20-18S-32E <i>Beard</i>
Young Federal No. 10	2350' FSL & 1025' FEL I	17-18S-32E <i>Beard</i>
Young Federal No. 11	2310' FNL & 2310' FEL S	17-18S-32E <i>Beard</i>

October 16, 1968

MAIN OFFICE 0-22

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1968

MINNTEX OIL COMPANY

508 Pentagon Park Tower

MINNEAPOLIS, MINNESOTA 53435

October 29, 1968

Mr. A. L. Porter, Jr.  
Secretary  
New Mexico Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico

Re: New Mexico Oil Conservation  
Commission Case Numbers  
3876 and 3877

Gentlemen:

A Hearing of the subject cases was held before the Commission on October 9, 1968, on Application of Newmont Oil Company through its attorney, Mr. John F. Russell, requesting approval of the Young (Queen) Unit, Lea County, New Mexico, and requesting permission to institute a waterflood.

This is to advise that Mr. John F. Russell was also acting as Agent for Minntex Oil Company in requesting permission to waterflood our leases on a cooperative basis as reflected in the testimony given at the Hearing. Please be advised also that the Commission was informed at that Hearing that the tract designated as 1-A would be withheld from the Unit.

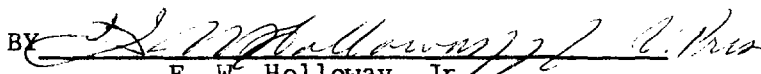
Our proposed water injection well would be:

Convert to water injection our Young Federal Well No. 4 located 330 feet from the South Line and 2,310 feet from the East Line, Section 17, Township 18 South, Range 32 east, N.M.P.M.

Give consideration to drilling and complete Young Federal No. 5 at a location 1,980 feet from the North Line and 660 feet from the East Line, Section 19, Township 18 south, Range 32 east, N.M.P.M.

Yours very truly,

MINNTEX OIL COMPANY

BY   
F. W. Holloway, Jr.

FWHjr:jmj

LAW OFFICES OF  
JOHN F. RUSSELL  
412 HINKLE BUILDING  
P. O. DRAWER 640  
ROSWELL, NEW MEXICO 88201

TELEPHONE 622-4641  
AREA CODE 505

September 25, 1968

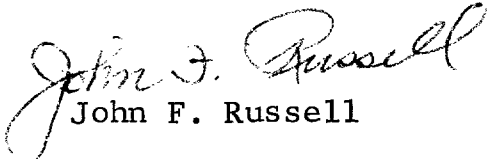
Mr. A. L. Porter, Jr.  
Secretary-Director  
Oil Conservation Commission  
Box 2088  
Santa Fe, New Mexico 87501

Re: Newmont Oil Company - Applications on Unit  
Agreement and Waterflood Project.

Dear Mr. Porter:

I now transmit herewith an amended Exhibit "D" which  
should be attached to the Application of Newmont Oil  
Company for approval of its waterflood project.

Very truly yours,

  
John F. Russell

JFR:d  
Enclosure

*Copy 3877*

*Already attached to  
each copy of application.  
JFR*