

Case No.

3445

Application, Transcripts,

Small Exhibits, Etc.

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO

October 18, 1966

C
Mr. Harold Kersy
Kersy & Company
Post Office Box 316
308 West Grand
Artesia, New Mexico

O
Dear Sir:

P
Reference is made to Commission Order No. R-3121, recently entered in Case No. 3445, approving the Kersy MCA Waterflood Project.

P
Injection is to be through the two authorized water injection wells, each of which shall be equipped with tubing and packers, said packers being set as near to the casing shoe above the open hole interval as is practicable.

Y
As to allowable, our calculations indicate that when both of the authorized injection wells have been placed on active injection, the maximum allowable which this project will be eligible to receive under the provisions of Rule 701-E-3 is 168 barrels per day when the South-east waterflood allowable factor is 42.

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.

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

OIL CONSERVATION COMMISSION

**P. O. BOX 2088
SANTA FE, NEW MEXICO**

-2-

**Mr. Harold Harney
Harney & Company
Artesia, New Mexico**

commence, 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.

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. FOSHER, Jr.
Secretary-Director**

ALF/ix

**cc: Mr. Frank Irby
State Engineer Office
Santa Fe, New Mexico**

**Oil Conservation Commission
Hobbs, New Mexico**

GOVERNOR
JACK M. CAMPBELL
CHAIRMAN

State of New Mexico

Oil Conservation Commission



LAND COMMISSIONER
GUYTON S. HAYS
MEMBER

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

P. O. BOX 2088
SANTA FE

September 30, 1966

Mr. Harold Nersey
Nersey & Company
Post Office Box 316
906 West Grand
Artesia, New Mexico

Re: Case No. 3445
Order No. R-3121
Applicant:

NERSEY & 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

Other Mr. Frank Irby

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 3445
Order No. R-3121

APPLICATION OF KERSEY & COMPANY
FOR A WATERFLOOD PROJECT, LEA
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on August 24, 1966, at Santa Fe, New Mexico, before Examiner Elvis A. Uts.

NOW, on this 30th day of September, 1966, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Kersey & Company, seeks permission to institute a waterflood project in the Maljamar Pool by the injection of water into the Premier and Metex zones of the Grayburg formation through two injection wells in Section 32, Township 17 South, Range 32 East, NMPM, Lea County, New Mexico.
- (3) That the wells in the project area are in an advanced state of depletion and should properly be classified as "stripper" wells.
- (4) That the proposed waterflood project should result in the recovery of otherwise unrecoverable oil, thereby preventing waste.

-2-

CASE No. 3445
Order No. R-3121

(5) That the subject application should be approved and the project should be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

IT IS THEREFORE ORDERED:

(1) That the applicant, Kersey & Company, is hereby authorized to institute a waterflood project in the Maljamar Pool by the injection of water into the Premier-Metex zones of the Grayburg formation through the following-described wells in Section 32, Township 17 South, Range 32 East, NMPM, Lea County, New Mexico:

Kersey's Honor Well No. 2 - Unit B
Kersey's Honor Well No. 4 - Unit G

(2) That the subject waterflood project is hereby designated the Kersey M.C.A. Waterflood Project and shall be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

(3) That monthly progress reports of the waterflood project herein authorized shall be submitted to the Commission in accordance with Rules 704 and 1120 of the Commission Rules and Regulations.

(4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


Jack M. Campbell
JACK M. CAMPBELL, Chairman

Guyton B. Hays
GUYTON B. HAYS, Member

A. L. Porter, Jr.
A. L. PORTER, Jr., Member & Secretary

SEE/

3445

Dec 8-24-66

Rec. 8-25-66

1. Grant Kersey & Co. permission
to institute a waterflood to be
known as the Kersey MCA flood.
The flood will consist of NE 1/4
32-17-32.

2. Grant approval of 2 injection
wells:

Kersey - Wagon #2 A. 32-17S-32E

 " " #4 G " " "

3. Annulus shall have inert fluids

Thos. A. [Signature]

Check 3445

1966 AUG 4 PM 1 23

KERSEY AND COMPANY

P. O. Box 316
Artesia, New Mexico 88210
August 3, 1966

NEW MEXICO OIL CONSERVATION COMMISSION
P. O. Box 2088
SANTA FE, NEW MEXICO

ATTENTION: Mr. A. L. Porter, Jr., Secretary-Director

KERSEY & COMPANY REQUESTS ADMINISTRATIVE APPROVAL TO EXPAND THE MCA UNIT SECONDARY PROJECT OF CONTINENTAL OIL COMPANY, TO INCLUDE THE NORTH-EAST QUARTER OF SECTION 32, TOWNSHIP 17 SOUTH, RANGE 32 EAST LEA COUNTY, NEW MEXICO

Gentlemen:

Kersey and company as an offset operator to the flood of Continental Oil Company in Section 29, Township 17 South, Range 29 East, requests administrative approval under the provisions of Order No. R-2403 and Rule 701-B to expand the present MCA unit to include the North-east quarter of Section 32, Township 17 South, Range 32 East, Lea County, New Mexico. Under the proposed expansion it is proposed to convert the following two wells to water injection:

Well No.	Location
2	Unit A, Section 32, T17S, R32E
4	Unit G, Section 32, T17S, R32E

In support of this request and as required by Rule 701-B, the following data is attached:

1. A plat showing location of the proposed injection wells and location of all wells within a radius of two miles, and formations from which wells are producing or have produced.
2. A copy of radio active log of the No. 4 well ran in tubing recently to depth of 4048' is enclosed which shows part of the top zone to be flooded.
3. A schematic drawing of the two proposed injection wells including casing depths, amount of cement, producing interfal and proposed tubing and packer setting depths.

The casing pattern is influenced by the fact that in this particular area there are no fresh water sands.

DOCKET MAILED

Date 8-11-66

W

Water supply for the proposed expansion will be obtained from the MCA Unit water leases now furnishing water for the present secondary recovery project.

A copy of this letter with attached data is being forwarded by Certified mail to the State Engineers Office, Box 1079, Santa Fe, New Mexico, and to the offset operators.

Your consideration and approval of the proposed expansion is respectfully requested.

Yours very truly,

KERSEY & COMPANY



Harold Kersey

By Certified mail:

State Engineers Office
P. O. Box 1079
Santa Fe, New Mexico

Continental Oil Company
P. O. Box 460
Hobbs, New Mexico

Anadarko Petroleum Company
1014 W. Avenue K
Lovington, New Mexico

Gulf Oil Company
Petroleum Building
Roswell, New Mexico

J. K. Wallingford
Abilene, Texas

Case 3445



NUCLEAR LOG

SIMULT. AECUS
GAMMA RAY-NEUTRON

COMPANY KERSEY & COMPANY

WELL HOVER #4

FIELD MATZANGR

COUNTY TEA STATE NEW MEXICO

LOCATION: 606' S.W. 02 N.E. 17-32

SEC. TWP

OTHER SERVICES:

Permanent Datum GROUND LEVEL

Elev. 3968

Log Measured From _____ Ft. Above Perm Datum

ELEVATIONS:
KB. _____
DF. _____
CL. 3968

Date 7-20-66

Run No. ONE
Type Log GAMMA RAY NEUTRON LOG

Depth—Driller _____

Depth—Logger 4098

Bottom logged interval 4042 4048

Top logged interval 3400

Type fluid in hole _____

Salinity, PPM Cl. _____

Density _____

Level _____

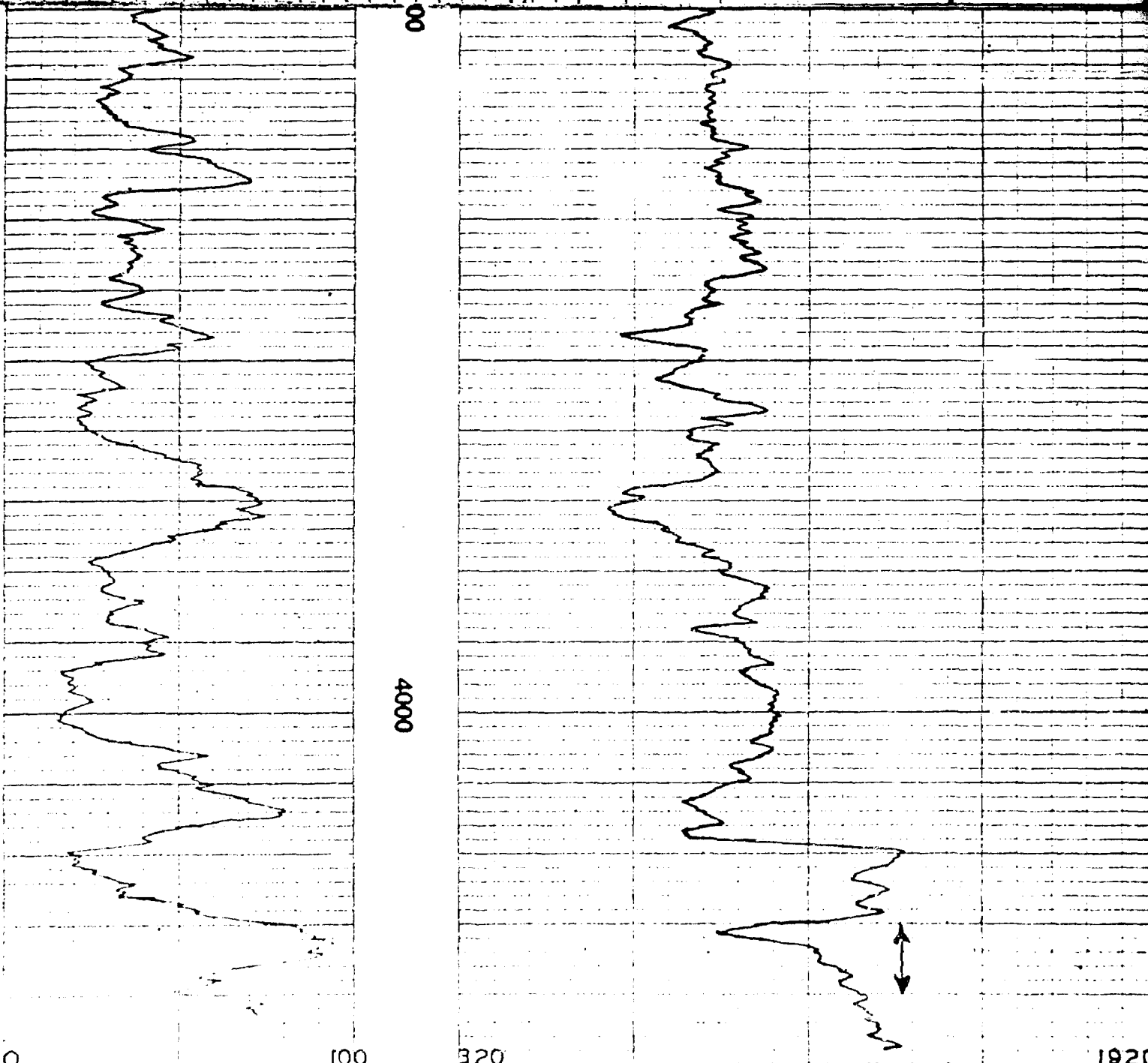
Max. rec. temp, Deg. F. _____

Operating rig time _____

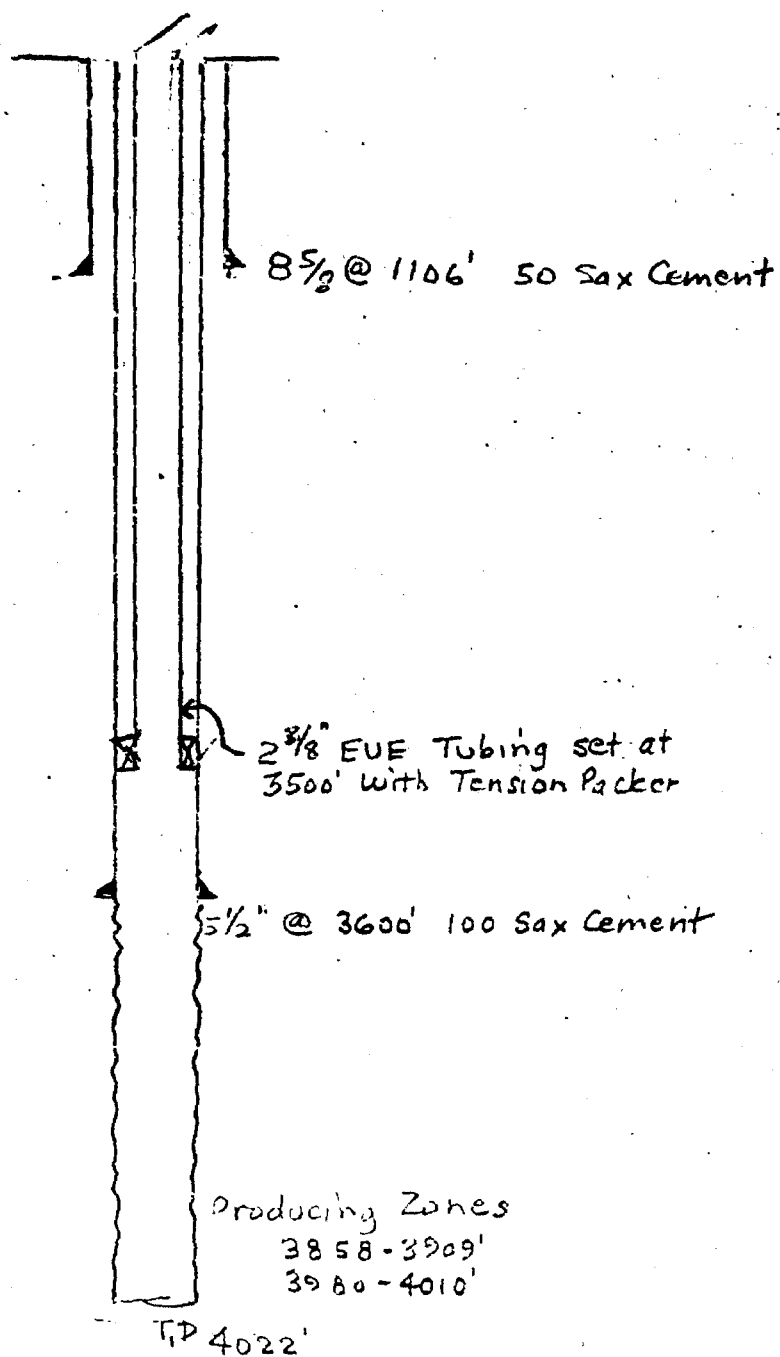
Recorded by CLARK

Witnessed by MR. KERSEY

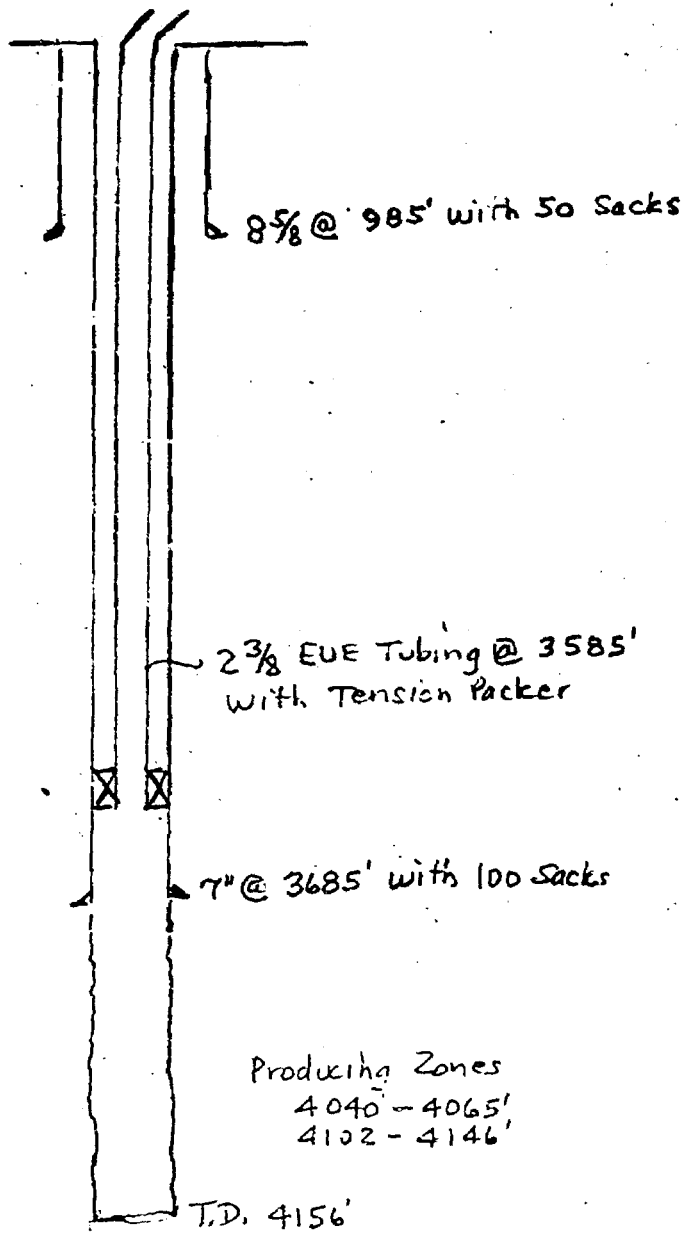
RUN No	BORE-HOLE RECORD			CASING RECORD			
	Bit	From	To	Size	Wgt.	From	To
				<u>7 7/8</u>		<u>0</u>	<u>3682</u>
				<u>2 1/2</u>		<u>0</u>	<u>P.O.T.</u>



Water Injection Well
Hover #2



Water Injection Well
Hover # 4



622 3445

DOCKET: EXAMINER HEARING - WEDNESDAY - AUGUST 24, 1966

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING - SANTA FE, NEW MEXICO

The following cases will be heard before Elvis A. Utz, Examiner, or Daniel S. Nutter, Alternate Examiner:

CASE 3437: (Continued and readvertised from the August 3, 1966 Examiner Hearing)

Application of Anadarko Production Company for a waterflood expansion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand its Pearsall Queen Sand Unit waterflood project by the injection of water into the Queen formation through one well to be drilled at an unorthodox location 25 feet North of the South line and 25 feet West of the East line of the SE/4 NW/4 of Section 4, Township 18 South, Range 32 East, Lea County, New Mexico.

CASE 3443: Application of Mobil Oil Corporation for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the approval of its Northeast Square Lake (Premier) Unit Area comprising 2,200 acres, more or less, of Federal and State lands in Township 16 South, Range 31 East, Eddy County, New Mexico.

CASE 3444: Application of Mobil Oil Corporation for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in its Northeast Square Lake (Premier) Unit by the injection of water into the Premier Sand of the Grayburg formation through 14 wells located in Sections 2, 3, 9, 10, and 11, Township 16 South, Range 31 East, North Square Lake Pool, Eddy County, New Mexico.

CASE 3445: Application of Kersey & Company for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the Grayburg-San Andres formation through two wells located in Section 32, Township 17 South, Range 32 East, Maljamar Pool, Lea County, New Mexico.

CASE 3446: Application of Kersey & Company for an amendment to Order No. R-2908, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-2908 which authorized a waterflood project in the Old Loco Unit, Loco Hills Pool, Eddy County, New Mexico. Applicant seeks authority to substitute 8 wells in Section 32, Township 17 South, Range 29 East, for the 6 wells previously authorized for injection so that the injection pattern will conform to that of a nearby project currently in operation.

CASE 3447: Application of Texas Pacific Oil Company for down-hole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle production from the North Bagley Middle-Pennsylvanian and North Bagley Upper-Pennsylvanian Pools in the wellbore of its J. P. Collier Well No. 1 located in Unit F of Section 10, Township 11 South, Range 33 East, North Bagley Field, Lea County, New Mexico.

Docket No. 21-66

CASE 1448: Application of Pan American Petroleum Corporation for an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to complete its South Mattix Unit Well No. 21 at an unorthodox location 1873 feet from the South line and 2087 feet from the West line of Section 15, Township 24 South, Range 37 East, Fowler Ellenburger Pool, Lea County, New Mexico.

KERSEY & COMPANY
DRILLING AND OIL PRODUCTION
Phone BR 6-3671 • P. O. Box 316 • 606 W. Grand
ARTESIA, NEW MEXICO 88210

August 22, 1966

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico

Attention: Mr. A. L. Porter, Jr.,
Secretary - Director

Gentlemen:

Inasmuch as a hearing is being held on our request for administrative approval to expand the MCA Unit Secondary Project of Continental Oil Company, to include the North-East quarter of Section 32, Township 17 South, Range 32 East, Lea County, New Mexico, we would like to obtain permission for you to use the administrative approval route for us to inject water into the Queen zone between 3400' - 3500'. This would be injected on top of the packer down the annulus in our #4 well. Anadarko Oil Company is flooding this zone to the south of us and we have not yet determined if the zone is productive on our lease or we would ask for approval to flood it at this time.

Yours very truly,

KERSEY & COMPANY

Harold Kersey

Harold Kersey

HK:cg

CC: State Engineer
P. O. Box 1079
Santa Fe, New Mexico

BEFORE EXAMINER UTZ	
OIL CONSERVATION COMMISSION	
EXHIBIT NO. <u>1</u>	
CASE NO. <u>3445</u>	

KERSEY AND COMPANY

P. O. Box 316
Artesia, New Mexico 88210
August 3, 1966

NEW MEXICO OIL CONSERVATION COMMISSION
P. O. Box 2088
SANTA FE, NEW MEXICO

ATTENTION: Mr. A. L. Porter, Jr., Secretary-Director

KERSEY & COMPANY REQUESTS ADMINISTRATIVE
APPROVAL TO EXPAND THE MCA UNIT SECONDARY
PROJECT OF CONTINENTAL OIL COMPANY, TO
INCLUDE THE NORTH-EAST QUARTER OF SECTION
32, TOWNSHIP 17 SOUTH, RANGE 32 EAST
LEA COUNTY, NEW MEXICO

Gentlemen:

Kersey and company as an offset operator to the flood of Continental Oil Company in Section 29, Township 17 South, Range 29 East, requests administrative approval under the provisions of Order No. R-2403 and Rule 701-B to expand the present MCA unit to include the North-East quarter of Section 32, Township 17 South, Range 32 East, Lea County, New Mexico. Under the proposed expansion it is proposed to convert the following two wells to water injection:

Well No.	Location
2	Unit A, Section 32, T17S, R32E
4	Unit G, Section 32, T17S, R32E

In support of this request and as required by Rule 701-B, the following data is attached:

1. A plat showing location of the proposed injection wells and location of all wells within a radius of two miles, and formations from which wells are producing or have produced.
2. A copy of radio active log of the No. 4 well ran in tubing recently to depth of 4048' is enclosed which shows part of the top zone to be flooded.
3. A schematic drawing of the two proposed injection wells including casing depths, amount of cement, producing interfal and proposed tubing and packer setting depths.

The casing pattern is influenced by the fact that in this particular area there are no fresh water sands.

BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION
EXHIBIT NO. <u>2</u>
CASE NO. <u>100-100</u>

Water supply for the proposed expansion will be obtained from the MCA Unit water leases now furnishing water for the present secondary recovery project.

A copy of this letter with attached data is being forwarded by Certified mail to the State Engineers Office, Box 1079, Santa Fe, New Mexico, and to the offset operators.

Your consideration and approval of the proposed expansion is respectfully requested.

Yours very truly,

KERSEY & COMPANY

Harold Kersey

Harold Kersey

By Certified mail:

State Engineers Office
P. O. Box 1079
Santa Fe, New Mexico

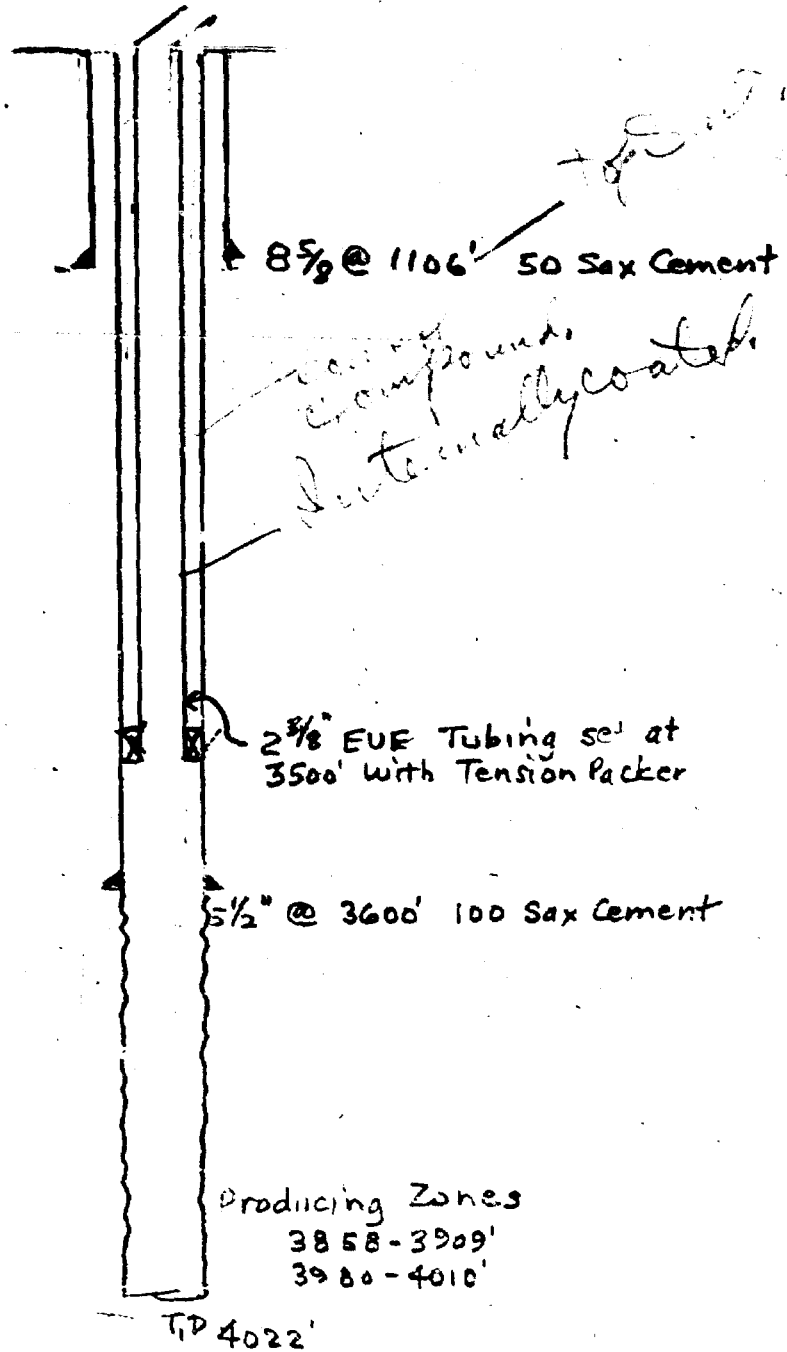
Continental Oil Company
P. O. Box 460
Hobbs, New Mexico

Anadarko Petroleum Company
1014 W. Avenue K
Lovington, New Mexico

Gulf Oil Company
Petroleum Building
Roswell, New Mexico

J. K. Wallingford
Abilene, Texas

Water Injection Well
 Haver #2

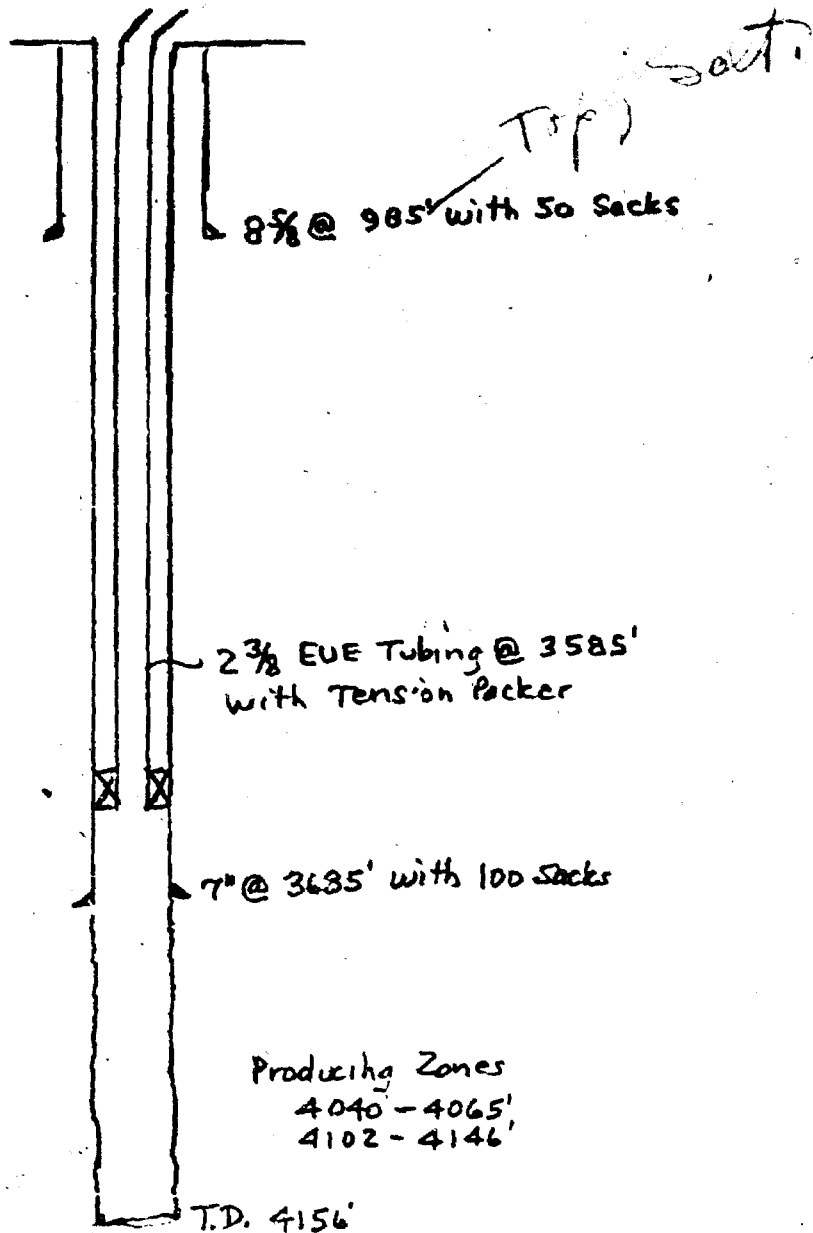


BEFORE EXAMINER UTZ
 OIL CONSERVATION COMMISSION
 EXHIBIT NO. _____
 CASE NO. _____

BEFORE EXAMINER UTZ
 OIL CONSERVATION COMMISSION
 EXHIBIT NO. _____
 CASE NO. _____

Water Injection Well

Hover # 4



BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION
EXHIBIT NO. _____
CASE NO. _____



NUCLEAR LOG
SIMULTANEOUS
GAMMA RAY-NEUTRON

COMPANY KERSEY & COMPANY

WELL HOYER #A

FIELD MATZNER

COUNTY TIA STATE NEW MEXICO

LOCATION: 606' S.W. OF N.E. 17-32

OTHER SERVICES:

SEC TWP

Permanent Datum GRAVEL LEVEL Elev 3968
Log Measured From _____ Ft. Above Perm Datum
Drilling Measured From _____

ELEVATIONS:
KB _____
DF _____
GL 3968

Date 7-26-66

Run No. ONE
Type Log GAMMA RAY-NEUTRON LOG

Depth—Driller _____
Depth—Logger 4098

Bottom logged interval 4042 4048

Top logged interval 3400

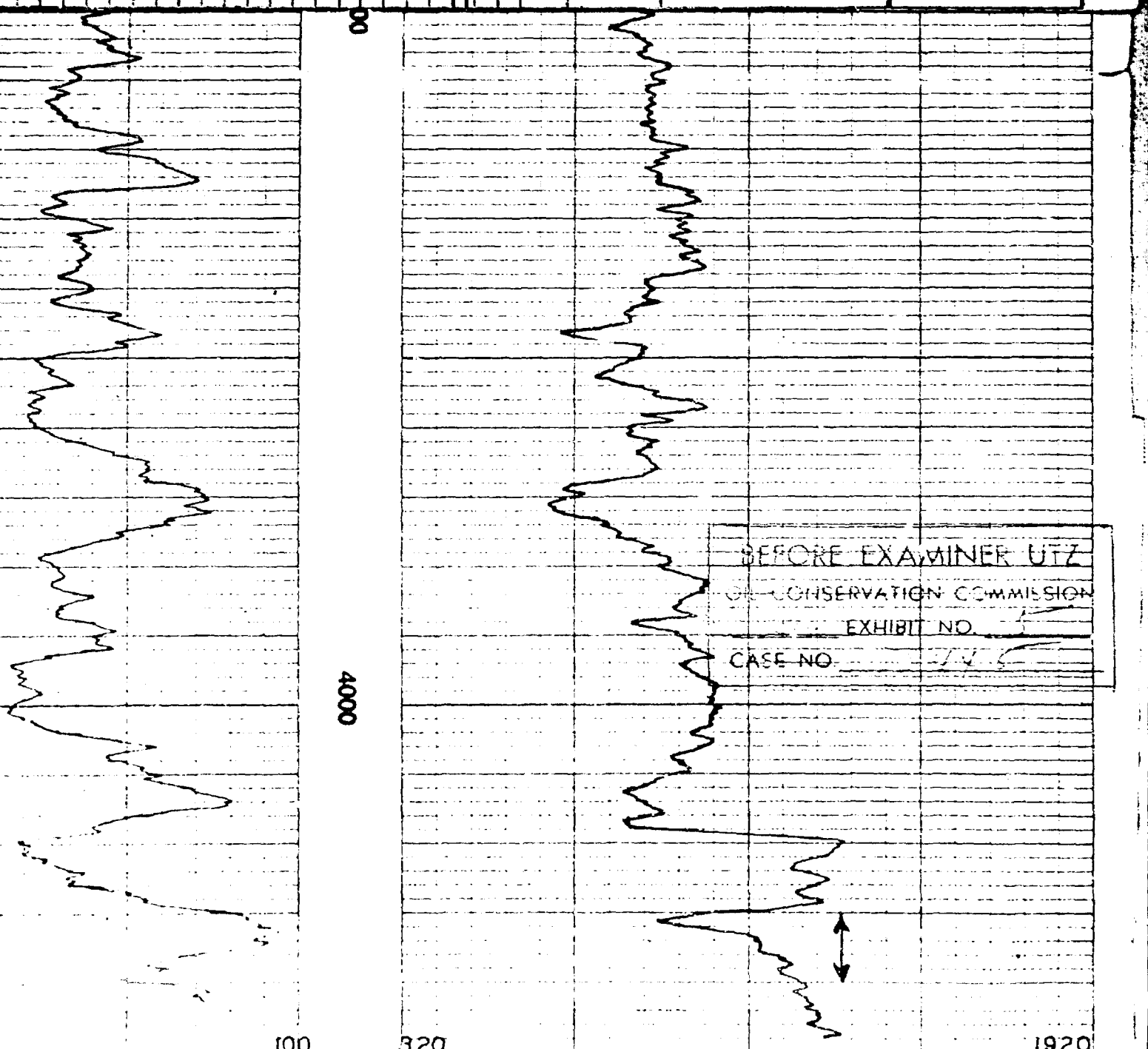
Type fluid in hole _____
Sol'n'dy, ppm Cl _____

Density _____
Level _____

Max. rec. te. ip, Deg. F _____
Operating rig time _____

Recorded by STARK
Witnessed by MR. KERSEY

RUN No	BORE-HOLE RECORD				CASING RECORD			
	Bit	From	To	Size	Wgt.	From	To	
				7 7/8		0	3685	
				6 1/2		0	N.D.	





dearnley-meier reporting service, inc.

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, REPORT TESTIMONY, SWAY COPY, CONVERSIONS

1126 SHAW BLVD. P. O. BOX 1072 • PHONE 242-4471 • ALBUQUERQUE, NEW MEXICO

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
August 24, 1966

Application of Kersey and Company for a
waterflood project, Lea County, New Mexico.

) CASE NUMBER
) 3445

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
August 24, 1966

Application of Kersey and Company for a
waterflood project, Lea County, New Mexico.

CASE NUMBER
3445

BEFORE:

ELVIS A. UTZ, Examiner.

TRANSCRIPT OF HEARING

HEARING EXAMINER ELVIS A. UTZ: Case 3445.

MR. GEORGE HATCH: Case 3445. Application of Kersey
and Company for a waterflood project, Lea County, New Mexico.

MR. UTZ: All right, sir, you may proceed.

MR. KERSEY: My name is Harold Kersey. I represent
Kersey and Company. I have appeared before the Commission on
previous hearings and I live in Artesia, New Mexico.

MR. UTZ: You are representing yourself?

MR. KERSEY: I am representing myself.

MR. UTZ: Swear the witness.

(Whereupon, the witness was sworn.)

MR. UTZ: Are there any other appearances?

(No response.)

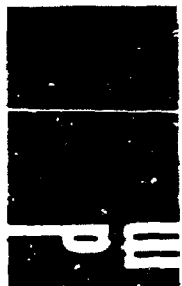
There are none.

MR. KERSEY: Continental Oil Company has received

dearnley-meier reporting service, inc.

SPECIALIZING IN: DEPOSITS, NS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, BARRY COPY, CONVENTIONS

1120 SHAW'S BLDG. • P.O. BOX 1092 • PHONE 249-4991 • ALBUQUERQUE, NEW MEXICO
1203 FIRST NATIONAL BANK EAST • PHONE 266-794 • ALBUQUERQUE, NEW MEXICO



dearnley-meier reporting service, inc.

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, SWORN TESTIMONY, DAILY COPY, CONVENTIONS

1120 SIMMS BLDG. • P.O. BOX 1672 • PHONE 248-4491 • ALBUQUERQUE, NEW MEXICO
1203 FIRST NATIONAL BANK EAST • PHONE 254-1294 • ALBUQUERQUE, NEW MEXICO

authority to start a flood adjacent on the north side of our Hoover property in the Maljamar field in the Northeast Quarter of Section 32, Township 17 South, Range 32 East, and we propose to back their flood up and at the same time flood two of our wells. If you will refer to the plat which is the last exhibit.

MR. UTZ: That is Exhibit Number Six.

MR. KERSEY: Exhibit Number Six shows the locations of the wells and the location of Continental's well and the pattern that is proposed to use. The pattern you would more or less call a blind drive because of the absence of production on the west side of our lease.

The water for this project is to be furnished under pressure by Continental Oil Company, delivered to the lease line. The zones to be flooded are the lower Grayburg zones which are the same as flooded by Continental and the production on this property has declined to one to two barrels per day per well.

I will refer you to Exhibit Number Three which is the water injection pattern. It shows the water injection method, that is, the casing and tubing. The water will be injected through corrosion protected tubing with a tension packer, with a packer set approximately 100 feet from the bottom of the casing and it will be injected into the formation that way. There are two producing zones in the lower Grayburg that are presently being flooded and the water will go into those and whichever fills --

dearnley-meier reporting service, inc.

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

1120 SIMMS BLDG. • P.O. BOX 1092 • PHONE 243-4491 • ALBUQUERQUE, NEW MEXICO
1203 FIRST NATIONAL BANK EAST • PHONE 264-1294 • ALBUQUERQUE, NEW MEXICO

one will probably fill up first then the other one will take the water.

Exhibit Number Two and Three shows these wells, the two wells that are proposed for use.

MR. UTZ: Exhibits Three and Four?

MR. KERSEY: Three and Four. And, Exhibit Number Five is an excerpt of a nuclear log showing one of the zones to be flooded. When this log was run, there was tubing in the hole and the log didn't take in the zones that was under the tubing. I ran this in order to have a log here available for the hearing. There is no fresh water in this area. The produced water as it is produced will be returned to Continental for reinjection. All equipment, as I pointed out, will be corrosion protected and we anticipate to inject about 500 barrels of water per day per well.

The injection pressure, after fill up, will probably run in the neighborhood of 2,000 pounds per square inch. The injection will be started as soon as permission is obtained and then as soon as Continental completes its injection plant, that is to serve this area. I understand at the moment their injection plant is held up on account of a transformer so it will probably be two or three months before the well can be put on, but in the meantime, after approval is obtained, the well will be conditioned and made ready for injection.

Are there any questions?

MR. UTZ: How much pressure do these lines that come down into your lease carry?

MR. KERSEY: They will carry around 2,000 pounds and the agreement is that Continental will deliver its water to our lease line. It will be metered and picked up at the lease line.

MR. UTZ: Where is Continental getting this water from?

MR. KERSEY: Continental gets it from off of the Caprock. They have their own source of supply. It is fresh Caprock water.

MR. UTZ: You said your tubing in both instances would be internally coated?

MR. KERSEY: That is right. The tubing and the lines. There will be cement lines to the wells but I haven't decided whether I will use cement line tubing or tar set or some other corrosion inhibitor for the tubing in the wells.

There was one point that I did not ask for when I wrote for administrative approval on this request and that is if you will refer to Exhibit One, a letter. Since writing in, Anadarko Production Company has contacted me about putting our number four well, injecting into it in the Queen zone which would be on top of the packer but at the present time we haven't

dearney-meyer reporting service, inc.

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, BRIEF TESTIMONY, DAILEY COPY, CONVENTIONS

1120 HANNA BLDG. • P.O. BOX 1092 • PHONE 243-4491 • ALBUQUERQUE, NEW MEXICO
1203 FIRST NATIONAL BANK EAST • PHONE 264-1894 • ALBUQUERQUE, NEW MEXICO

determined if our two southern wells are productive in this zone. The driller's log did not show it and we are trying to run down the samples, but our lease seems to be on a dividing line between the Grayburg production and the Queen production to the south and it is problematically where the cut off is because our log, as I pointed out, the drilling logs show no production in the Queen, but if we discover that there is a possibility of producing our number five well from the Queen, then it would behoove us to inject into the number four well, which we will already have a packer set, and we could inject on top of the packer into the Queen zone which is between thirty-four and 500 feet.

I just brought this out because I would like permission for administrative approval if we should deem it feasible to attempt to produce this Queen zone. If it's there, why, we probably should use it.

MR. UTZ: That would most certainly present another problem to this current situation.

MR. KERSEY: That's right. I am not trying to run this in. I just wanted to point it out.

MR. UTZ: In the first place, I don't believe that the advertisement would cover this type approval. Would it Counsel?

MR. HATCH: No.

MR. KERSEY: We would have to have another hearing.

dearnley-meier reporting service, inc.

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATE HEARS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

1120 SIMMS BLDG. • P.O. BOX 1072 • PHONE 243-4491 • ALBUQUERQUE, NEW MEXICO
1203 FIRST NATIONAL BANK BLDG. • PHONE 256-1294 • ALBUQUERQUE, NEW MEXICO

MR. UTZ: That would be out even if you didn't have other problems, such as questioning the size of the casing and injecting behind, so the cleanest way in my mind, would be just to work on what you have got and we will cross that bridge when we get to it.

MR. KERSEY: I just thought I would bring it up.

MR. UTZ: Do you intend to use any inhibiting fluid in your annulus?

MR. KERSEY: Ordinarily we usually put in some corrosion inhibitor, one of the console compounds and that is probably what we will use in this case in the water.

MR. UTZ: What is your surface water situation?

MR. KERSEY: There is no surface water there.

MR. UTZ: None in either case?

MR. KERSEY: None in either case.

MR. UTZ: And how about casing testing? Do you intend to test this casing or how old is it?

MR. KERSEY: The casing is approximately twenty-five years old and I think -- well, I will run the tension packer down into the bottom of the casing and pressure test it to the contemplated injection pressure on top of the packer and then I will move the packer up the hole, possibly a hundred feet.

MR. UTZ: You will test to 2,000 pounds then?

MR. KERSEY: Two thousand pounds.

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MR. UTZ: The Anadarko injection well number one immediately to the south of your number five well, is that being injected into at the present time?

MR. KERSEY: Yes, I looked at the engineering report, the current engineering report and I think it showed 6,000 barrels had been injected into that well.

MR. UTZ: The zone that you intend to inject?

MR. KERSEY: No, it had been injected into the Queen. That Anadarko well is not drilled to the Grayburg zones.

MR. UTZ: If your number five well isn't already productive, it might be in view of this, mightn't it?

MR. KERSEY: Yes, however it is cased through so I would have to -- the way I could find out would be to perforate it and treat it with packers and hold the packers over the perforations and test it that way. That would be one method of testing whether there was production in the number five well.

MR. UTZ: Do you know whether or not -- what is the zone here, the Premier?

MR. KERSEY: It is the Premier and Metex. That is what I would call those zones. Lower Grayburg.

MR. UTZ: Do you know whether those zones are productive in the Anadarko lease just south of you?

MR. KERSEY: No, they're not. They are not productive at all. There has been a well or two drilled down but no

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production. As I said, we are evidently on a dividing line. If you will refer to this plat and look at Continental's Number 233 well which is plugged directly east of our number five well. You will notice that it was produced from the Queen also.

MR. UTZ: Because of this, any back up on your number five to the south will probably not be necessary.

MR. KERSEY: That's right. Probably the formation has pinched out.

MR. UTZ: Are there any other questions of the witness?

MR. IRBY: Yes, sir. Frank Irby, State Engineer's Office.

Mr. Kersey, on your Number Four Exhibit, the Hoover Number Four, what formation is that surface casing set in at the 985?

MR. KERSEY: It is set in the top of the salt, is really what you call it.

MR. IRBY: And the other one?

MR. KERSEY: It is set in the Grayburg.

MR. IRBY: The surface casing?

MR. KERSEY: Oh, I mean both of them are set in the top of the salt.

MR. IRBY: The top of the salt. Thank you. That's all I have.

MR. UTZ: Any other questions?

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MR. HATCH: Did you prepare these exhibits?

MR. KERSEY: Yes.

MR. HATCH: Would you like to have those exhibits submitted?

MR. KERSEY: Yes.

MR. UTZ: Exhibits One through Six will be entered into the record of this case.

The witness may be excused.

(Witness excused.)

Are there other statements to be made in this case?

(No response.)

The case will be taken under advisement.

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STATE OF NEW MEXICO)
) ss.
COUNTY OF BERNALILLO)

I, W. DON MC INTYRE, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Proceedings before the New Mexico Oil Conservation Commission was reported by me, and that the same is a true and correct record to the best of my knowledge, skill and ability.

WITNESS my Hand and Seal this 24th day of August, 1966.

W. Don McIntyre
W. DON



My Commission Expires:

July 14, 1970

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 3445, heard by me on August 24, 1966.

[Signature]
Examiner
New Mexico Oil Conservation Commission



Summary for a waterflood project,
Lea County, New Mexico.