

Case No.

1733

Application, Transcript,  
Small Exhibits, Etc.

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. 1783  
Order No. R-1470

APPLICATION OF KERSEY AND  
COMPANY FOR AN ORDER AUTHORIZING  
A WATER FLOOD PROJECT IN THE  
ARTESIA POOL, EDDY COUNTY, NEW  
MEXICO, FOR SEVERAL UNORTHODOX  
LOCATIONS, AND FOR THE ESTABLISH-  
MENT OF AN ADMINISTRATIVE PROCE-  
DURE FOR THE CONVERSION OF ADDI-  
TIONAL WELLS TO WATER INJECTION  
AND FOR GRANTING CAPACITY ALLOW-  
ABLES TO WELLS IN SAID PROJECT

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on August 5, 1959, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 20<sup>th</sup> day of August, 1959, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, 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 and Company, proposes to institute a water flood in the Artesia Pool, with a project area consisting of its Twin Lakes lease comprising the SW/4 of Section 28, Township 18 South, Range 28 East, NMPM, Eddy County, New Mexico.

(3) That initially the applicant proposes to inject water into the Grayburg formation in the Artesia Pool through the following-described wells on unorthodox locations in Section 28, Township 18 South, Range 28 East, NMPM, Eddy County, New Mexico:

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Well No. 8, located 2370 feet from the South line and 270 feet from the West line of said Section 28.

Well No. 4, located 2370 feet from the South line and 1324 feet from the West line of said Section 28.

Well No. 6, located 2370 feet from the South line and 2370 feet from the West line of said Section 28.

(4) That the applicant should install new casing in the above-described wells and cement the same to the surface, and should then pressure-test said casing to the hydrostatic head of the fluid column plus the maximum surface pressure to be used prior to putting said wells into operation.

(5) That there is no need for granting capacity allowables to any wells in said project at this time, but, as requested by applicant, an administrative procedure should be established whereby capacity allowables may be granted to wells in said project without notice and hearing when such wells have received a response to water injection enabling them to produce in excess of top unit allowable for the Artesia Pool.

(6) That, as requested by applicant, an administrative procedure should be established whereby approval may be granted for conversion of additional wells within said project to water injection when it is established to the satisfaction of the Secretary-Director that the proposed injection well has experienced a substantial response to water injection or is directly offset by a producing well which has experienced such response. Provided, however, that any such additional well which is administratively authorized for water injection should be equipped with new casing if pressure tests and/or inspection of the casing presently in such well indicate said casing is not serviceable for water injection purposes.

IT IS THEREFORE ORDERED:

(1) That Kersey and Company be and the same is hereby authorized to institute a water flood project in the Artesia Pool with a project area consisting of its Twin Lakes lease comprising the SW/4 of Section 28, Township 18 South, Range 28 East, NM&PM, Eddy County, New Mexico, which shall hereinafter be described as the Twin Lakes Water Flood Project.

(2) That the applicant be and the same is hereby authorized to immediately convert for the purpose of water injection into the Grayburg formation in the Artesia Pool, the following-described

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wells, on unorthodox locations, in Section 28, Township 18 South, Range 28 East, NMPM, Eddy County, New Mexico:

Well No. 3, located 2370 feet from the South line and 270 feet from the West line of said Section 28.

Well No. 4, located 2370 feet from the South line and 1324 feet from the West line of said Section 28.

Well No. 5, located 2370 feet from the South line and 2370 feet from the West line of said Section 28.

(3) That the applicant be and the same is hereby required to install new casing in the three above-described injection wells and to cement the same to the surface, and shall then pressure-test said casing to the hydrostatic head of the fluid column plus the maximum surface pressure to be used, prior to putting said wells into operation.

(4) That an administrative procedure for the conversion of additional wells in said project area to water injection without notice and hearing, some of which may be on unorthodox locations, be and the same is hereby established.

PROVIDED HOWEVER, That in order for an additional well in said project to be eligible for administrative approval for conversion to water injection, it must be established to the satisfaction of the Secretary-Director of the Commission that the proposed water injection well has experienced a substantial response to water injection or is directly offset by a producing well which has experienced such response, and that the proposed injection well is located on a water injection pattern which will result in a thorough and efficient sweep of oil by the water flood.

PROVIDED FURTHER, That to obtain administrative approval for the conversion of any well to water injection, applicant shall submit to the Commission in triplicate a request for such administrative approval, setting forth therein all the facts pertinent to the need for conversion of additional wells to water injection, and attaching thereto Commission Form C-116, showing production tests of the affected well or wells both before and after stimulation by water flood. Applicant shall also attach plats of the water flood project area and immediate surrounding area, indicating thereon the owner of each lease and the location of all water injection wells and producing wells, and shall submit evidence that a copy of the application to convert additional wells to water injection has been sent to each operator offsetting the proposed injection well, and to the State Engineer.

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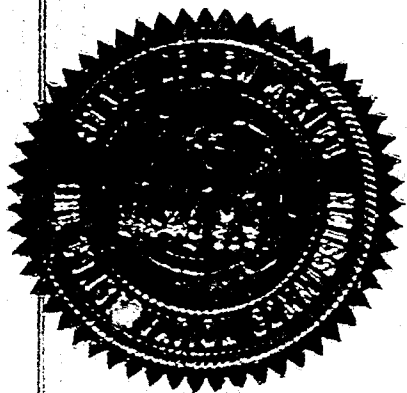
The Secretary-Director may, if in his opinion there is need for conversion of additional wells to water injection, authorize such conversion without notice and hearing, provided that no offset operator nor the State Engineer objects to the proposed conversion within fifteen (15) days. The Secretary-Director may grant immediate approval of the proposed conversion upon receipt of waivers of objection from all operators offsetting the proposed injection well and from the State Engineer.

PROVIDED FURTHER, That any such well which is administratively authorized for water injection shall be equipped with new casing which shall be properly cemented and tested if pressure tests and/or inspection of the casing in the well prior to such conversion indicate said casing is not serviceable for water injection purposes.

(5) That the Proration Manager of the Commission be and the same is hereby authorized to assign an allowable equal to the well's ability to produce, for any well in the project area; provided, however, that no well shall receive an allowable greater than the top unit allowable for the Artesia Pool unless the ability of such well to produce in excess of such top unit allowable is based upon a response from water injection. In order to obtain such capacity allowables, the operator shall file Form C-116 showing the producing capacity of the wells for which such request is made.

(6) That monthly progress reports on the water flood project herein authorized shall be submitted to the Commission in accordance with Rule 704 and Rule 1119 of the Commission Rules and Regulations.

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



STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

*John Burroughs*  
JOHN BURROUGHS, Chairman

*Murray E. Morgan*  
MURRAY E. MORGAN, Member

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

vem/

OIL CONSERVATION COMMISSION  
P. O. BOX 871  
SANTA FE, NEW MEXICO

August 20, 1959

Mr. Harold Kersey  
P. O. Box 305  
Artesia, New Mexico

Dear Mr. Kersey:

We enclose herewith two copies Order No. R-1470 in Case 1733 and two copies of Order R-1471 in Case 1734 issued by the Oil Conservation Commission on August 20, 1959.

Very truly yours,

A. L. PORTER, Jr.  
Secretary-Director

ir/

Enclosures

*Copy sent to  
Hobbs & Artesia*

C  
O  
P  
Y

OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

Date 8-6-59

CASE NO. 1733

HEARING DATE 8-5-59

My recommendations for an order in the above numbered case(s) are as follows:

1. approve the pilot flood for Kersey con - <sup>to be called "Twin Lakes"</sup>  
sisting of the SW/4 sec. 28-185-28E.
2. approve three wells for the injection  
of water ~~at~~ <sup>at</sup> northdax locations.  
for same.
- (a) Kersey - Twin Lakes #4, 1324/W, 2370/N,  
" " " " #5 2370/S, 2370/W  
" " " " #8 2370/S, 270/W  
all in 28-185-28E.
3. incorporate administrative approval for  
(a) northdax locations for additional  
injection wells.  
(b) Capacity allowables for affected  
producing wells.  
(c) additional injection wells.
4. Casing in injection wells shall be new  
and cemented to the surface, then tested  
to the hydrostatic head of the fluid column  
plus the ~~maximum pressure~~ <sup>Staff Member</sup> to be used  
at the surface.

*Thos. H. [Signature]*

Plan for Kersey & Company Twin Lakes Waterflood  
in Section 28-18-28, Eddy County, New Mexico.

Proposed plan of flooding the SW/4 Section 28-18-28, will be to start a pilot flood along the North line of the acreage. The Graridge Corporation is presently flooding the NW/4 of this section and has injection wells offsetting this acreage. At the beginning water will be injected in wells No. 8, No. 4, and No. 5 and production wells No. 10 and No. 11 drilled. When increases are noted in the production wells, administrative approval will be asked to expand the flood to the next row of injection wells. This method will be used for flooding the entire tract. The proposed overall plan of injection wells and production wells are as follows:

Injection wells:

✓ No. 8, an old plugged producer on unorthodox location, located 270' East of West line and 2370' from the South line of Section 28-18-28.

✓ No. 4, an old plugged producer on unorthodox location, located 1324' East of West line and 2370' North of South line of Section 28-18-28.

✓ No. 5, an old plugged producer on unorthodox location, located 2370' East of West line and 2370' North of South line of Section 28-18-28.

No. 7, an old plugged well on unorthodox location, located 1316' North of South line and 270' East of West line of Section 28-18-28.

No. 12, an unorthodox location to be drilled 1310' North of South line and 1310' East of West line of Section 28-18-28.

No. 13, an unorthodox location to be drilled 2310' East of West line and 1330' North of South line of Section 28-18-28.

No. 1, a producer on unorthodox location 270' North of South line and 270' East of West line to be converted to an injection well.

No. 16, an unorthodox location to be drilled 330' North of South line and 1310' East of West line of Section 28-18-28.

No. 9, present production well to be converted to injection well located 330' North of South line and 2310' East of West line of Section 28-18-28.

Production wells:

No. 10, located 1980' from the South line and 660' from the West line of Section 28-18-28.

No. 11, located 1980' from the South and West lines of Section 28-18-28.



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Plan for Kersey & Company Twin Lakes Waterflood  
in Section 28-18-28, Eddy County, New Mexico.

No. 14, located 660' from the South and West lines of Section 28-18-28.

No. 15, located 1980' from the West line and 660' from the South line.

A cooperative line agreement will be made with the adjacent operator, and The Graridge Corporation will furnish the water for flooding.

A capacity allowable is asked for this acreage for when the flood becomes effective it would not be practical to curtail the production.

BEFORE THE  
OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

IN THE MATTER OF:

CASE 1733

TRANSCRIPT OF HEARING

AUGUST 5, 1959

DEARNLEY - MEIER & ASSOCIATES  
INCORPORATED  
GENERAL LAW REPORTERS  
ALBUQUERQUE, NEW MEXICO  
3-6691 5-9546

BEFORE THE  
OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO  
AUGUST 5, 1959

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IN THE MATTER OF:

CASE 1733

Application of Kersey and Company for a pilot water flood project, for several unorthodox locations for wells in said project, for administrative procedure for conversion of additional wells to water injection, and for a project allowable. Applicant, in the above-styled cause, seeks an order authorizing a pilot water flood project in the 2000-foot sand zone of the Grayburg formation underlying its Twin Lakes Lease comprising the SW/4 of Section 28, Township 18 South, Range 28 East, Eddy County, New Mexico. Applicant further seeks the approval of unorthodox locations for three wells which would be placed on water injection immediately and the approval of an administrative procedure whereby several other wells on said lease may be converted to water injection without notice and hearing. Applicant further requests a project allowable for the acreage involved.

BEFORE:

Elvis A. Utz, Examiner.

TRANSCRIPT OF PROCEEDINGS

MR. UTZ: The next case will be Case 1733.

MR. PAYNE: Case 1733. Application of Kersey and Company for a pilot water flood project, for several unorthodox locations for wells in said project, for administrative procedure for conversion of additional wells to water injection, and for a pro-

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ject allowable.

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MR. KERSEY: I'm Harold Kersey.

MR. PAYNE: I will swear you in, Mr. Kersey.

(Witness sworn)

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

DIRECT EXAMINATION

BY MR. PAYNE:

Q Will the witness please state his name and position?

A Harold Kersey, owner of Kersey and Company, and I have appeared before the Commission at other times.

Q All right, sir. Please state for the Examiner what you propose in your application here.

A We propose to start a pilot water flood in the SW/4 of Section 28, 18, 28 in the Artesia Field, Eddy County, New Mexico. And at the beginning we propose to convert old plugged wells No. 8, No. 4 and No. 5 into injection wells. When increases are noted in the new producers, No. 10 and 11, as shown on the plat, administrative approval will be obtained or asked to increase the number of injection wells, as shown on the plat, No. 7, No. 12 and No. 13. And then when further increases are noted in Nos. 14 and 15, we will ask for approval to start injection in Wells Nos. 1, 16, and 9. And I'll read you the location of these proposed injection wells. Now, these will -- this is total. I'm only asking to

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start injecting into three at the present time. I'll read the locations of the injection wells that will be required on this property.

No. 8 is an old plugged producer on unorthodox location, located 270 feet East of the West line and 2370 feet from the South line of Section 28-18-28.

No. 4 is an old plugged producer on unorthodox location, located 1324 feet East of the West line and 2370 feet North of the South line of Section 28-18-28.

No. 5 is an old plugged producer on unorthodox location, located 2370 feet East of the West line and 2370 feet North of the South line of Section 28-18-28.

No. 7 is an old plugged well on unorthodox location, located 1316 feet North of the South line and 270 feet East of the West line of Section 28-18-28.

No. 12 is an unorthodox location to be drilled 1310 feet North of the South line and 1310 feet East of the West line of Section 28-18-28.

No. 13 is an unorthodox location to be drilled 2310 feet East of the West line and 1330 feet North of the South line of Section 28-18-28.

No. 1 is a producer on unorthodox location, located 270 feet North of the South line and 270 feet East of the West line to be converted to an injection well.

No. 16 is an unorthodox location to be drilled 330 feet North

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of the South line and 1310 feet East of the West line of Section 28-18-28.

No. 9, present production well to be converted to injection well located 330 feet North of the South line and 2310 feet East of the West line of Section 28-18-28.

The production wells that we propose to drill are -- they are on regular locations, center of forties, so I will not give the locations of those, only so far as the plat shows them.

The cooperative line agreement will be made with the Graridge Corporation, which is the offset operator to the North and East and West, and to the South, I own the property to the South, but I didn't include it in the flood at this time. The flood will be expanded only as increase is noted. As noted before, the water for this flood will be obtained from the Graridge Corporation. We plan to set  $8\frac{5}{8}$  surface casing in the injection wells, and set  $4\frac{1}{2}$  inch casing for -- to inject through and circulate cement on the 4 and  $1\frac{1}{2}$  inch casing. Administrative approval will be asked for increases in allowable at such time as the increases are more than the allowable allocated for the acreage. I believe that pretty well covers my plan.

Q Now, you say you propose to inject, through casing,  $4\frac{1}{2}$  inch casing?

A That is right.

Q And that is set inside what?

A Set inside  $8\frac{5}{8}$ .

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Q Now, that is not all the way, is it?

A Yes, it is all the way. And I am going to perforate the zone that we inject into.

Q And what is that?

A The zone is the first -- I didn't read that -- the first Grayburg sand at approximately 2,000 feet with a pay thickness of 15 to 20 feet. It is the zone that is presently being flooded by the Graridge Corporation.

Q Is your plan here essentially identical to the casing program used by the Graridge Corporation?

A Yes, it is. In fact, it is the same plan they are using. However, they are not circulating the cement or haven't in part of their wells, and I propose to circulate the cement.

Q So that you feel that your casing program will adequately protect any fresh waters in the area?

A I do, and then we are going to have 8 5/8 cemented also for the surface water at approximately 400 feet.

Q Now, you don't actually propose to go into the Graridge project at all, this is a separate project?

A Yes, this is a separate project. The only connection, we will enter a cooperative line agreement with Graridge, and Graridge will furnish us the water for this flood from their plant which they will have adequate capacity to take care of our water needs.

Q They are going to furnish enough water, not only for the

three wells, but for --

A For the rest of them. I don't know if the Commission is aware of it, but they are bringing 7 inch line down from Red Lake, or it is in the plan right at the present time, to assure an adequate supply of water for this area and for the salt area north that they are flooding at the present time.

Q Now, that water that they are getting, is it fresh water or salt water?

A Salt water. I am producing the same water used on the Red Lake flood in Red Lake, the same zone of water.

Q Now, you feel that your project, when it is completed, will encompass only this quarter section?

A I feel that it will, but when it's -- as this project goes along, Graridge, they have injection wells plotted, as you will note on this plat, on either side, and they will put their injection wells on as we go along with this project, and eventually the whole area will be flooded to conserve the oil, that is, to get the greatest amount of oil obtainable out of it.

Q Do you feel under the cooperative line agreement with them that will result in an efficient sweep of the oil?

A Yes, I do. This plan of injection, we spent considerable time on it, and we feel like, that with it we ought to obtain maximum amount of oil recoverable. The only other alternative we had was to increase the number of wells, but from an economic standpoint, we didn't think it was justified.



Q How much oil were these proposed injection wells making Nos. 4, 5 and 8, when they were abandoned?

A About a barrel an hour.

Q Do you have any idea how much oil you are going to recover?

A We anticipate recovering a hundred thousand barrels to the forty, four hundred thousand barrels. We may fall short of that.

Q How long do you anticipate it will take you to produce that?

A About eight to ten years.

Q With the peak coming when?

A With the peak coming in possibly two years.

Q Now, Graridge will have -- hasn't gotten the peaks in the Artesia flood --

A No, they haven't. They are putting No. 21 on injection, and they are also adding several injection wells. That is in the process of drilling and completing. It might interest you to know their first producers on their tract, right to the north of it, have already produced 44,000 barrels of water flood oil.

Q Now, have you or do you propose to pressure test the casing in these plugged and abandoned wells which you are going to use as injection wells?

A What we will do with these old wells is put in casing.

Q Full string?

A Full string.

Q That's the 8 1/2 4 1/2?

A That's the 8 1/2 4 1/2. Now, they are to a certain extent an unknown quantity, and when we get into them we may find 8 inch or 10 inch, but it is our proposal to set through the zones and if it is possible -- I'll qualify it by saying this, we will have to run a caliper survey when we get down to the zone. It may be possible to set through, on account of the cement being too thick, in order to perforate to reach it, we might not have to set above, immediately above the zone, but if the wells are such, I believe we can obtain better control by setting it through.

Q Do you think you are going to have any problem in the market for this oil?

A Probably. I can see that; I can see it on all our projects, and I know that the markets are getting crowded and I don't know what the answer to it is.

Q Well, if you have to restrict your injection rate, that's liable to cause waste at a subsequent date?

A Yes. I hope that the market will be such that we won't have to curtail production rate. It is definitely a problem. Another thing, I don't intend to proceed with this project very fast. My present plan is to drill, to begin with, producers Nos. 10 and 11 and then go into the old holes and rework them. That is, I would rather, if we can, extend the life of this flood over a greater length of time from the standpoint of perhaps securing the greatest

amount of oil and then also from the standpoint of economic situation.

Q What is your proposed injection rate initially?

A About 200 barrels per day per well. Approximately 1000 pounds per day per well.

Q And Graridge owns the acreage offsetting you in the northeast and west?

A And west, and I own the acreage on the south, but I didn't include it in this proposal.

Q Now, you actually don't want a project allowable at this time?

A No, I don't, and probably I will not have one for a year. That is all I want is the -- so I can request the authorization of a project allowable at such time as it may be required. On a flood, you never know. I may never need one. That is something that is entirely -- you never know.

Q Actually, what you want is an administrative procedure for capacity allowable in the event that becomes necessary?

A That is right.

MR. PAYNE: I believe that's all.

#### CROSS EXAMINATION

BY MR. UTZ:

Q Mr. Kersey, were Wells Nos. 4 and 5 producing, or are they abandoned?

A Wells Nos. 4, 5 and 8, all of those wells are abandoned.

That is on that North line that we propose to make injection wells out of. The ones with the mark across them are all plugged wells. That is, I propose to convert 4, 5, 8 and 7, abandoned plugged wells into the injection wells.

Q The wells encircling this project in the East, North and the West, that is the 15, the 22, 21, another 22, 33 or 38, which is it?

A 338.

Q And the No. 8 are all injection wells of Graridge?

A They are in the proposed statute. The only injection wells actually drilled offsetting this property are No. -- the ones No. 21 and 22, and water is presently being injected into No. 21.

MR. PAYNE: And since you haven't drilled your 10 and 11, you can't tell whether this is pushing oil over to your well or not?

A No, we have to drill our 10 and 11 to find out, but it is offsetting, it is right in the sweep. Theoretically, it should sweep some oil over to 10 and 11 or over to 11 at this point.

Q What you'll end up with is a five spot, is that right?

A That's right. We will end up with two five spots. When we complete all of our injection wells, we will have two five spots on the property, or four, rather.

Q (By Mr. Utz): Did you state what your casing program, proposed casing program was on 10 and 11?

A On 10 and 11 we will set 8 5/8 surface casing and cement with 50 sacks, and set 5 1/2 inch for production casing set through

the zone, and perforate the zone, and probably cement it with 75 or 100 sacks. It wouldn't be necessary on those to circulate cement to the surface.

Q What was the production string, 4 1/2?

A 5 1/2, 5 1/2 1 1/4 pound casing.

Q How much cement?

A Possibly a hundred sacks. That would fill up about 700 or 800 feet.

Q Did you state how deep you were going to set your 8 5/8?

A Approximately 400 feet, that takes care of the shallow water.

Q You don't intend to circulate it?

A The 8 5/8?

Q Yes, sir.

A Our present plan is to cement it with 50 sacks which will almost circulate it.

Q That will be sufficient to protect the --

A Yes, sir, it will.

Q Was Exhibit 1 prepared by you?

A Yes, it was.

Q Did you wish to enter that as an Exhibit?

A I wish to enter that into this as part of this hearing.

MR. UTZ: Without objection, it will be entered in evidence.

MR. PAYNE: Do you have any questions, Mr. Irby?

MR. IRBY: I would like to ask Mr. Kersey one question.  
QUESTIONS BY MR. IRBY:

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Q On my interpretation of his testimony, it is my understanding that your casing specifications will be exactly the same in the old converted wells for injection and the new wells you drill for injection, is that correct?

A That is right, with one minor exception there. If the old well has too big a shot hole, it will be necessary to set the casing on top of the, the shot hole, but on the new wells we will set the casing through the zone.

Q Well, in that event, then, your injection string will be landed at the top.--

A At the top.--

Q -- of the producing formation?

A -- of the producing formation. That is right.

Q And cement circulated?

A That is right.

Q I would like to ask one more question relative to the location, I believe you said was in Range 28 East?

A That's right, 18 South, Range 28 East.

Q That's the first Township East of your water basin?

A That is right. The water basin is Range 27.

MR. IRBY: That's all.

MR. UTZ: Any other questions? If not, the witness may be excused.

(Witness excused)

MR. UTZ: Any statements in this case? If not, the case  
will be taken under advisement.

DEARNLEY - MEIER & ASSOCIATES  
INCORPORATED  
GENERAL LAW REPORTERS  
ALBUQUERQUE, NEW MEXICO  
3-6691 5-9546

STATE OF NEW MEXICO )  
COUNTY OF BERNALILLO ) ss

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I, J. A. Trujillo, 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 in Stenotype and reduced to typewritten transcript 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, the 14<sup>th</sup> day of August, 1959, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

Joseph A. Trujillo  
NOTARY PUBLIC

My Commission Expires:

October 5, 1960

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 1733, heard by me on August 5, 1959.  
Theresa D. [Signature], Examiner  
New Mexico Oil Conservation Commission

DEARNLEY - MEIER & ASSOCIATES  
INCORPORATED  
GENERAL LAW REPORTERS  
ALBUQUERQUE, NEW MEXICO  
3-6691 5-9546



DOCKET: EXAMINER HEARING AUGUST 5, 1959

Oil Conservation Commission - 9 a.m., Mabry Hall, State Capitol, Santa Fe, New Mexico

The following cases will be heard before Elvis A. Utz, Examiner, or A. L. Porter, Jr., Secretary-Director.

Continued Case

CASE 1695: Application of Texaco, Inc. for a triple completion, for permission to commingle the production from three separate pools, and for the establishment of two non-standard gas proration units. Applicant, in the above-styled cause, seeks an order authorizing it to triple complete its A. H. Blinbry NCT-4 Well No. 1, located in the SE/4 SE/4 of Section 31, Township 22 South, Range 38 East, Lea County, New Mexico, in such a manner as to permit production from the Blinbry formation, production of gas from the Tubb Gas Pool, and production of oil from the Drinkard Pool through tubing, the annulus via cross-over, and tubing respectively. Applicant further seeks the establishment of a 160-acre non-standard gas proration unit in both the Tubb Gas Pool and Blinbry Gas Pool each consisting of the S/2 S/2 of said Section 31. Applicant further seeks permission to commingle the liquid production from the Blinbry, Tubb and Drinkard formations underlying said acreage.

NEW CASES

CASE 1665: Application of Sunray Mid-Continent Oil Company for an amendment of Order No. R-1414. Applicant, in the above-styled cause, seeks an order amending Order No. R-1414 to include additional acreage in its Central Bisti LPG-Gas-Water Injection project in the Bisti-Lower Gallup Oil Pool in San Juan County, New Mexico, and for permission to drill four additional water injection wells in said project and for permission to convert one additional well to gas injection in said project.

CASE 1731: Application of Sunray Mid-Continent Oil Company for an oil-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its D. Hardy Well No. 2, located 1980 feet from the North and East lines of Section 29, Township 21 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Paddock Pool and the production of oil from the Drinkard Pool through parallel strings of tubing.

CASE 1732: Application of Continental Oil Company for an oil-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Lockhart B-11 Well No. 8-1B, located in the SW/4 SE/4 of Section 11, Township 21 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Terry-Blinbry Oil Pool and the production of oil from the Drinkard Pool through parallel strings of tubing.

CASE 1733: Application of Kersey and Company for a pilot water flood project, for several unorthodox locations for wells in said project, for administrative procedure for conversion of additional wells to water injection, and for a project allowable. Applicant, in the above-styled cause, seeks an order authorizing a pilot water flood project in the 2000-foot sand zone of the Grayburg formation underlying its Twin Lakes Lease comprising the SW/4 of Section 28, Township 18 South, Range 28 East, Eddy County, New Mexico.

Docket No. 28-59

Applicant further seeks the approval of unorthodox locations for three wells which would be placed on water injection immediately and the approval of an administrative procedure whereby several other wells on said lease may be converted to water injection without notice and hearing. Applicant further requests a project allowable for the acreage involved.

CASE 1734:

Application of Kersey and Company for a water injection-oil production dual completion on an unorthodox location, and for an additional injection well. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Featherstone Well No. 2, located on an unorthodox location, 1060 feet from the North line and 250 feet from the East line of Section 29, Township 18 South, Range 28 East, Eddy County, New Mexico, in such a manner as to permit the injection of water into the Grayburg sand at approximately 2000 feet and the production of oil from the Premier zone of the Grayburg sand at approximately 2230 feet. Applicant further seeks authority to inject water into a new well to be drilled 330 feet from the North line and 990 feet from the East line of said Section 29. Applicant states that Graridge Corporation is presently injecting water offsetting this tract.

1733  
**KERSEY & COMPANY**  
DRILLING AND OIL PRODUCTION  
PHONE SH 6-3671 • P. O. Box 305 • 808 W. GRAND  
ARTESIA, NEW MEXICO

MAIN OFFICE OCC

July 8, 1959

1959 JUL 9 PM 1:09

Oil Conservation Commission  
P. O. Box 871  
Santa Fe, New Mexico

Gentlemen:

We would like for you to schedule a hearing for us concerning the installing of a pilot water flood on our Twin Lakes lease, namely, the SW/4 of Section 28-18-28, Eddy County, New Mexico. The first sand zone in the Grayburg around 2,000' is the horizon that will be flooded.

Involved in the Pilot flood will be the cleaning out and converting to injection wells the following numbered plugged wells which are on unorthodox locations.

No. 8 located 270' east of west line and 2370' from the south line of Section 28-18-28.

No. 4 located 1324' east of west line and 2370' north of south line of Section 28-18-28.

No. 5 located 2370' east of west line and 2370' north of south line of Section 28-18-28.

In this hearing we would also like to obtain permission to add injection wells after the Pilot flood takes effect. Injection wells will be installed in an orderly manner proceeding only as required to back up the sweep of the flood. The injection wells are as follows.

No. 7, an old plugged well on unorthodox location 1324' south of north line and 270' east of west line of Section 28-18-28.

No. 12, an unorthodox location to be drilled 1310' north of south line and 1310' east of west line of Section 28-18-28.

No. 13, an unorthodox location to be drilled 2310' east of west line and 1330' north of south line of Section 28-18-28.

*Letter  
mailed  
11-23-59  
OK*

July 8, 1959  
Oil Conservation Commission  
Santa Fe, New Mexico

No. 1, a producer on unorthodox location 270' north of south line and 270' east of west line to be converted to an injection well.

No. 16, an unorthodox location to be drilled 330' north of south line and 1310' east of west line of Section 28-18-28.

No. 9, present production well to be converted to an injection well located 330' from south line and 2310' east of west line of Section 28-18-28.

In this flood pattern new production wells will be drilled on the following locations.

No. 10, located 1980' from the south line and 660' from the west line, No. 11, located 1980' from the south and west lines, No. 14, located 660' from the south and west lines, No. 15, located 1980' from the west line and 660' from the south line.

Graridge Corporation is presently completing injection wells on the north line of this tract.

At this hearing we would like to get an allowable set for the acreage involved.

Yours very truly,

KERSEY & COMPANY

*Harold Kersey*

Harold Kersey

HK:cg