

CASE 2768: Application of ERNEST A.
HANSON & HAROLD KERSEY for special
nomenclature - EDDY COUNTY, N. MEX.

Case 170.
2768

Application, Transcript,
and Exhibits, Etc.

Memo

From

R. L. Stamets, Geologist & Deputy
Oil & Gas Inspector

To Don Butler

It is my intention to add the
Queen formation to the western
limits of the Red Lake Pool.
Further, to hope to reduce the
Vandergrift Hayes Gas Pool to Southern
Union Leasehold Area placing the remainder
of the acreage in the Red Lake
and East Red Lake Queen Pools. For
this latter portion I am awaiting
some information from Southern Union.
If you wish, as a head and
advice to the addition of the

Queen Limestone To The vertical limits
of the Red Lake Pool. Also you
could now advertise the abolition
of the Henshaw Queen Red Pool
and the addition of the Queen
Limestone to the Henshaw (S17)
Pool for J.M. Welch.

Henshaw Queen Gas = S214 Sec 13-T125-B32-E
Henshaw (S12) - B4 Sec 13-T16-B10-E

Otherwise These changes will appear
on our advertisement for the May
manipulation sale

Wick

OIL CONSERVATION COMMISSION

1933 FEB 22 PM 1:40

-2-

Dan Nutter
Chief Engineer
NMOCC
Santa Fe, New Mexico

Extend the Artesia Pool to include Sec. 9 E/2 E/2; Sec. 10 S/2 SW/4;
Sec. 14 W/2; Sec. 15 all; Sec. 16 S/2; Sec. 19 S/2; Sec. 20, 21, 22 all;
Sec. 23 W/2 & W/2 SE/4; Sec. 26 N/2; Sec. 27 N/2 N/2 & SW/4; Sec. 28 all;
Sec. 29 N/2; Sec. 30 NE/4 all in T-17S-R28E.

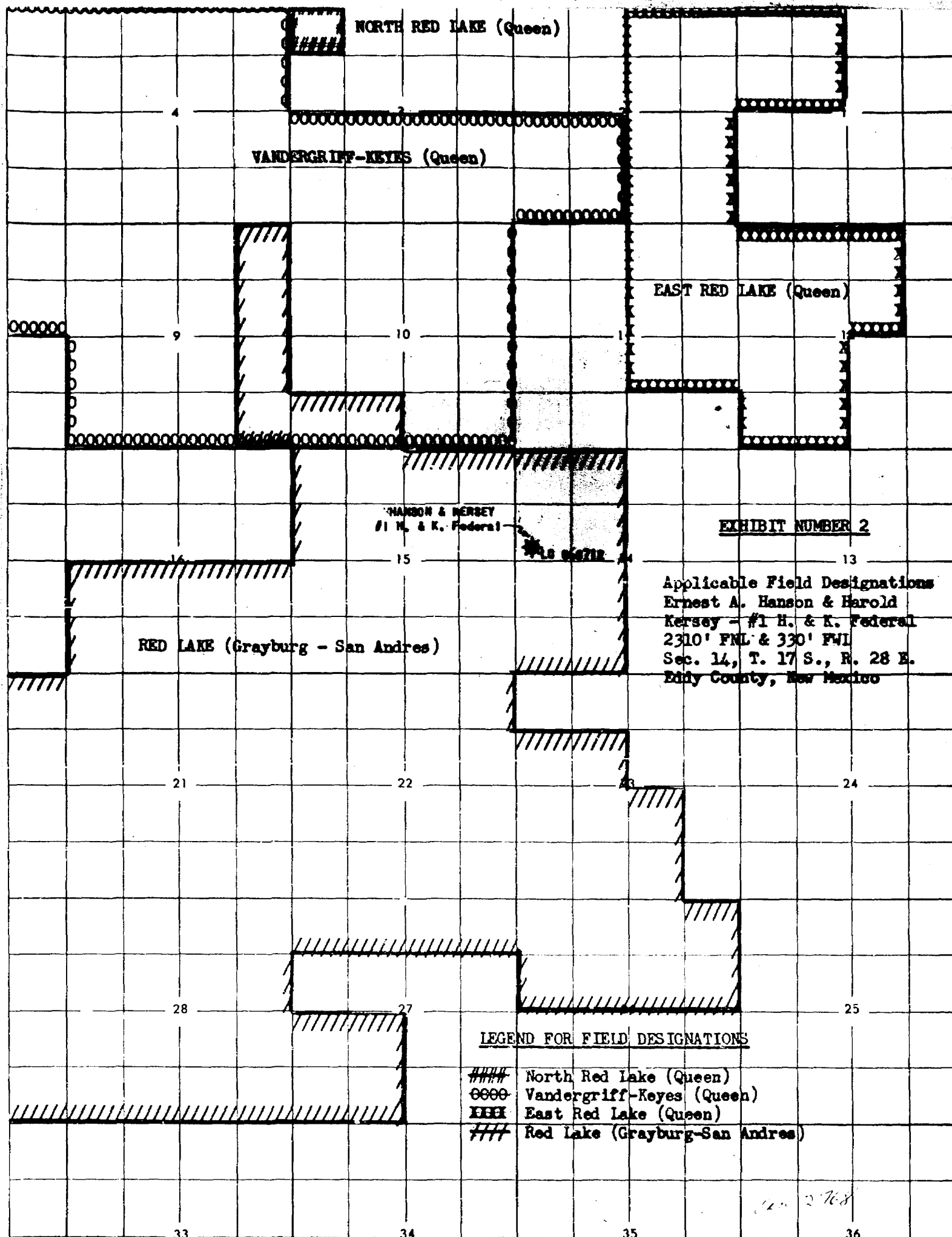
If you wish me to continue with my investigations in this matter
please let me know.

Very truly yours,

OIL CONSERVATION COMMISSION

[Signature]
R. L. Stamets
Geologist

RLS/jw



4/25/63

Memo

From

D. S. NUTTER
CHIEF ENGINEER

To
Talked to Stamets
today - He will
have a proposal
for nomenclature
change for this
Red Lake - Vandegriff
Keys area for June

DRAFT

JMD/esr
March 7, 1963

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. 2768

Order No. R- ~~2768~~

R-2445

APPLICATION OF ERNEST A. HANSON
AND HAROLD KERSEY FOR SPECIAL
NOMENCLATURE, EDDY COUNTY, NEW
MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on March 7, 1963, at Santa Fe, New Mexico, before Daniel S. Nutter, 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 _____ day of March, 1963, the Commission, a quorum being present, having considered ~~the application, the evidence adduced, and~~ the recommendations of the Examiner, Daniel S. Nutter, 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 applicants, Ernest A. Hanson and Harold Kersey, requested prior to the hearing that Case No. 2768 be dismissed.

IT IS THEREFORE ORDERED:

That Case No. 2768 is hereby dismissed without prejudice.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

JACK M. CAMPBELL, Chairman

F. C. WALKER, Member

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

**REQUEST FOR THE EXTENSION OF AN EXISTING POOL
OR
THE CREATION OF A NEW POOL**

TO: The Oil Conservation Commission
State of New Mexico

Date **January 15**, 19**69**

The **ERNEST A. RAMBON & HAROLD KERSKY**
Name of Operator

H. & K. Federal
Name of Lease

Well No. **1** Located **2320** feet from the **North** line and **330** feet

from the **West** line of **14** **T. 17 S.** **R. 28 E.**
Section Township Range

is outside the boundaries of any pool producing from the same formation. On the basis of the information submitted herewith on form C-105, we hereby request that the
pool be extended to include the following described area

or that a new pool be created to include the following described area **NW/4, Sec. 14, T. 17 S., R. 28 E.,**
N.M.P.M., Bddy County, New Mexico

Suggested name: *** Red Lake (Queen)**

ERNEST A. RAMBON & HAROLD KERSKY
Operator

Name of Producing Formation:

Queen Formation

Harry J. Schinner
Representative

- * The No. 1 H. & K. Federal well is located in the Red Lake (Grayburg-San Andres) pool and is completed from both the Queen Formation and the Grayburg Formation. Request is hereby made to include the Queen Formation in the Red Lake (Grayburg-San Andres) pool.

Page 2768

EXHIBIT NUMBER 1

Well History Report

ERNEST A. HANSON & HAROLD KERSEY - #1 H. & K. Federal

Field Well - Red Lake Field (Grayburg - San Andres)
Eddy County, New Mexico

Location: 2310' FWL & 330' FWL
Sec. 14, T. 17 S., R. 28 E., N.M.P.M.
Eddy County, New Mexico

Elevation: 3718' D.F.

Drilling Contractor: Kersey & Company
Artesia, New Mexico

Type Drilling Rig: Cable Tool

Commencement: October 11, 1962

Completed: January 15, 1962³

Casing Program: 10-3/4" @ 232' w/pulled
8-5/8" @ 499' w/50 sx.
5-1/2" @ 2096' w/100 sx.

Total Depth: 2179' sand

P. B. Total Depth: 2096' dolomite

Perforations: 2 jets per foot at 1674-1688' (Queen Fm.), 2020-2024'
and 2030-2034' (Grayburg Fm.)

Treatment: HOWCO 5-1/2" straddle packers were set at 1667' and
1697' on 3", N-80 tubing. Grayburg perforations
were treated with 13,000 gals. lease oil and 20,000
lbs. 20-40 sand. Queen perforations were treated
with 17,000 gals. lease oil and 20,000 lbs. 20-40
sand.

Logs: Gamma Ray - Density (Schlumberger)

Drilling Shows: 190- 195' Water
950- 962' Trace of gas
1015-1025' Trace of gas & scum of oil
1680-1700' Gas & oil stain. 1 hr. test; no free oil
1740-1750' Gas & oil stain. 1 hr. test; no free oil
2036-2047' Oil stain. 1 hr. test; no free oil
2186-2198' Gas & salt water; approx. 600' XWIF

Exhibit Number 1 - Cont'd.

-2-

Production Tests: Queen Fm. and Grayburg Fm. flowing 24 hrs. through 2-3/8" tubing on a 1/4" choke: 10 BO and 54,400 CFGPD. 24 hour SIP 540 lbs.

Queen Fm. flowing 24 hours through 5-1/2" casing annulus and 2-3/8" tubing on 1/2" choke: 54,400 CFGPD with a trace of oil. 24 hour SIP 540 lbs.

Grayburg Fm. swabbing through 2-3/8" tubing : 10 BOPD. 24 hour SIP 315 lbs."

*Gas depletes to trace after initial flow.

Initial Production: Flowed 54,400 CFGPD (Queen Fm.)
Swabbed 10 BOPD (Grayburg Fm.)


Oil Purchaser: McWood Corporation
Abilene, Texas

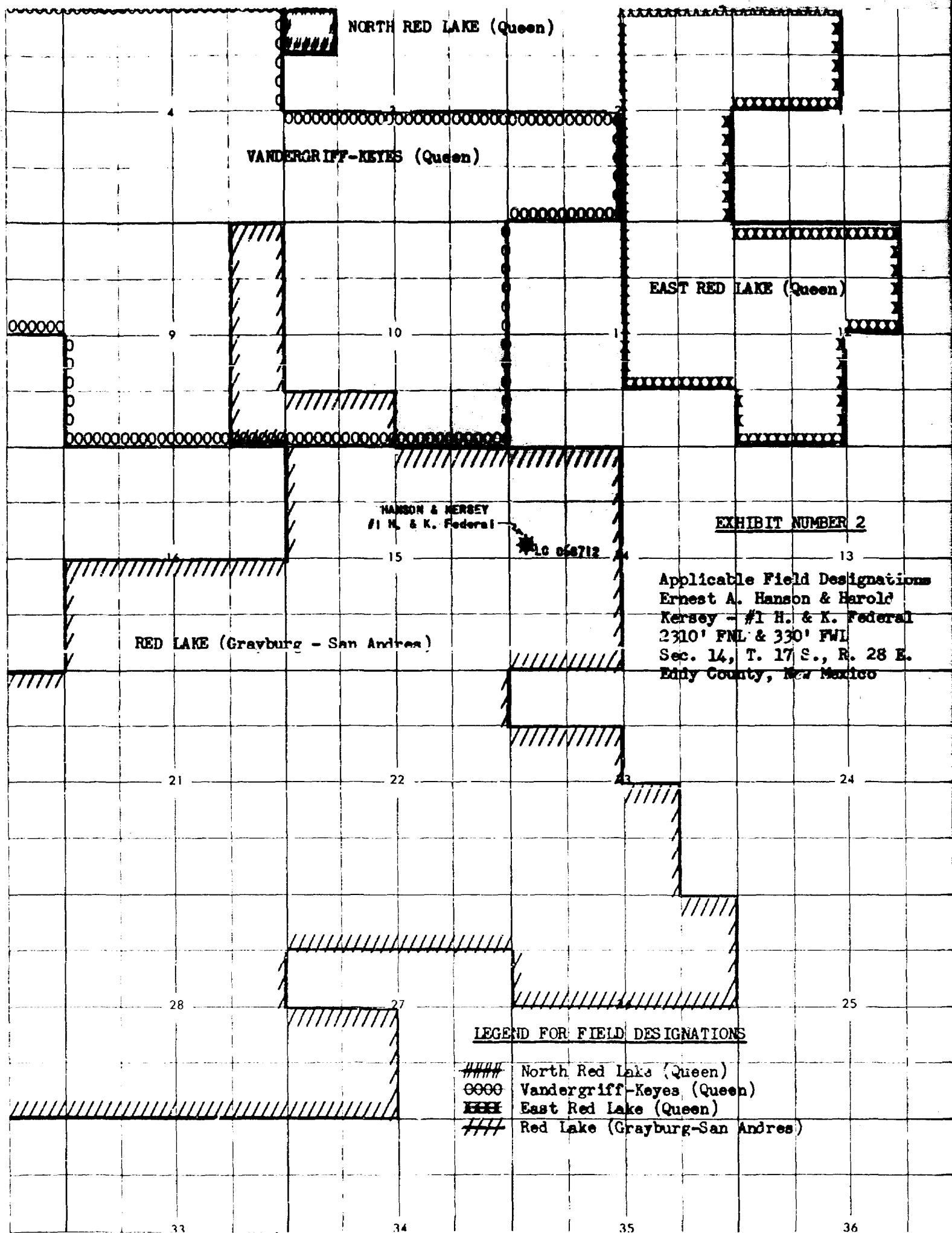
Gas Purchaser: Phillips Petroleum Co
Bartlesville, Oklahoma

Well Status: Producing oil and gas well.

Geological Fm. Tops:

Yates Fm.	654'
Seven Rivers Fm.	818'
Queen Fm.	1464'
Pearson sd.	1592'
Grayburg Fm.	1872'
Metex sd.	2020'
Premier sd.	2173'
San Andres Fm.	2213' (estimated)


Harry F. Schram, Geologist
Ernest A. Hanson



ROSWELL PETROLEUM BUILDING
PHONE MA 2-7330

67 RIVERSIDE
PHONE MA 2-6923

ERNEST A. HANSON
OIL OPERATOR
P. O. BOX 852 1515
ROSWELL, NEW MEXICO

January 31, 1963

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

Attention: Mr. Dan Nutter

Re: Request for Change in Nomenclature
Hanson & Kersey - #1 H. & K. Federal
SW $\frac{1}{4}$ NW $\frac{1}{4}$, Sec. 14, T. 17 S., R. 28 E.
Eddy County, New Mexico

Gentlemen:

Request is hereby made to include the captioned well in the Red Lake Field and to change the nomenclature of said field insofar as the NW $\frac{1}{4}$ of Sec. 14, T. 17 S., R. 28 E., Eddy County, New Mexico, is concerned to include the Queen Formation as a pool name (in addition to present Grayburg-San Andres).

This request is being made for the following reasons:

1. The captioned well has tested both Queen Formation and Grayburg Formation perforations, separately and together, with the result that the two tests are identical in the total amount of oil and gas that is produced.
2. Economically, it is not feasible to dual-complete this well in order to horizontally separate the Queen Formation from the Grayburg Formation. Neither formation produced separately in this well could return the investment in drilling and completion. The added expense of a packer, pump jack, string of rods, pump, separate separator and tank battery, line pipe and miscellaneous connections will necessarily force us to plug off the oil pay.
3. Because the Queen Formation is principally a gas pay zone and the Grayburg Formation is oil, the proration of the two zones can be separated automatically even though produced together as requested herein.

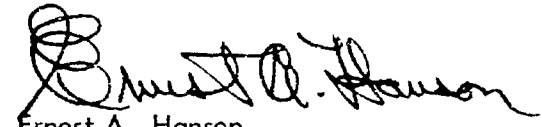
January 31, 1963

4. Because neither the Queen Formation gas nor the Grayburg Formation oil, should they be produced separately, are a profitable investment, it will definitely curtail further development and exploration on the H. & K. Federal lease and quite possible those surrounding leases not already developed.
5. If permission for modifying the nomenclature is granted and the oil and gas is commingled, this well and any future wells could certainly be produced longer because of the lower overall investment, thereby aiding in greater ultimate recovery from both the Queen and Grayburg Formations.
6. Conservation of the produced oil and gas will be aided by using one separator and tank battery, thereby eliminating half of the evaporation as would result from a dual completion.
7. The same royalty and working interests apply to both the Queen Formation and the Grayburg Formation on the H. & K. Federal lease.

We will appreciate your consideration and approval of this application. If you desire any further information, please let us know.

Yours very truly,


ERNEST A. HANSON & HAROLD KERSEY


Ernest A. Hanson

EAH/rpd

Enclosures

DOCKET MAILED

Date 2/25/63


No. 8-63

DOCKET: EXAMINER HEARING - THURSDAY - MARCH 7, 1963

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

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

CASE 2763: (Continued)

Application of Sunray DX Oil Company for the creation of a Strawn Gas Pool and for Special Temporary Pool Rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Strawn Gas Pool for its New Mexico State "AH" Well No. 1, located in Unit K of Section 30, Township 18 South, Range 23 East, Eddy County, New Mexico, and the establishment of temporary pool rules therefor, including a provision for 640-acre proration units.

CASE 2766: Application of Tom Brown Drilling Company, Inc., for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Siegreist Draw Unit Area, comprising 7,578 acres, more or less, of State and fee lands in Township 19 South, Range 23 East, Eddy County, New Mexico.

CASE 2767: Application of Tom Brown Drilling Company, Inc., for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Antelope Sink Unit Area, comprising 7,561 acres, more or less, of State and fee lands in Township 19 South, Ranges 23 and 24 East, Eddy County, New Mexico.

CASE 2768: Application of Ernest A. Hanson and Harold Kersey for special nomenclature, Eddy County, New Mexico. Applicants, in the above-styled cause, seek an order extending the vertical limits of that portion of the Red Lake (Grayburg-San Andres) Pool underlying the NW/4 of Section 14, Township 17 South, Range 28 East, Eddy County, New Mexico, to include therein the Queen formation.

CASE 2769: Application of Cities Service Oil Company for three water injection wells, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to convert the Pure State No. 1 and the Gulf State Well No. 1 located in Units D and P, respectively, of Section 16, Township 14 South, Range 31 East, Chaves County, New Mexico, to water injection, offsetting Phillips Petroleum Company's West Cap Waterflood Project. Applicant further seeks authority to drill an additional water injection well at the southwest corner of Unit K of said Section 16.

-2-

Docket No. 8-63

CASE 2770:

Application of El Paso Natural Gas Company for permission to conduct certain special well tests, San Juan and Rio Arriba Counties, New Mexico. Applicant, in the above-styled cause, seeks authority to conduct maximum pressure build-up tests on 27 wells in the Blanco-Mesaverde, Basin-Dakota, Aztec-Pictured Cliffs, Ballard-Pictured Cliffs, and South Blanco-Pictured Cliffs Gas Pools, San Juan and Rio Arriba Counties, New Mexico. Applicant further seeks exception to the annual well-testing requirements of Order R-333-F for said wells during the testing period, as well as exception to the under-age and overage balancing requirements of Order R-1670. Further, applicant seeks authority to transfer said wells' allowables to other wells on the same basic lease for production. Applicant also seeks an administrative procedure for the designation of such substitute wells for testing as may be deemed necessary.

iqg/

REQUEST FOR THE EXTENSION OF AN EXISTING POOL
OR
THE CREATION OF A NEW POOL

MAINTENANCE OCC
1963 FEB 4 AM 8 30

TO: The Oil Conservation Commission
State of New Mexico

Date January 15, 1963

The ERNEST A. HANSON & HAROLD KERSEY
Name of Operator

H. & K. Federal
Name of Lease

1 Located 2310 feet from the North line and 330 feet
Well No.

from the West line of 14 T. 17 S. R. 28 E.
Section Township Range

is outside the boundaries of any pool producing from the same formation. On the basis of the information submitted here-
with on form C-105, we hereby request that the
pool be extended to include the following described area.

or that a new pool be created to include the following described area NW/4, Sec. 14, T. 17 S., R. 28 E.,
N.M.P.M., Eddy County, New Mexico

Suggested name: * Red Lake (Queen)

ERNEST A. HANSON & HAROLD KERSEY
Operator

Name of Producing Formation:

Queen Formation

Harry P. Schmitt
Representative

* The No. 1 H. & K. Federal well is located in the Red Lake (Grayburg-San Andres) pool and is completed from both the Queen Formation and the Grayburg Formation. Request is hereby made to include the Queen Formation in the Red Lake (Grayburg-San Andres) pool.

DOCKET MAILED

Date 2/25/63
gh

ROSWELL PETROLEUM BUILDING
PHONE MA 2-7330

67 RIVERSIDE
PHONE MA 2-6923

MAIL OFFICE OCC
1963 MAR 5 PM 1:25

ERNEST A. HANSON
OIL OPERATOR
P. O. BOX 852 1515
ROSWELL, NEW MEXICO
March 4, 1963

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

Attention: Mr. Daniel S. Nutter

Re: Case No. 2768
Application of Hanson & Kersey
Special Nomenclature, Eddy County, N.M.
Docket, Examiner Hearing, March 7, 1963

Gentlemen:

In reply to your letter of February 28th on Case No. 2768, we think
the suggested arrangement will be most satisfactory and have no objection to the
change in procedure.

Yours very truly,

ERNEST A. HANSON

Harry F. Schram
Harry F. Schram

HFS/rpd

cc: Mr. Harold Kersey
P. O. Box 316
Artesia, New Mexico

GOVERNOR
JACK M. CAMPBELL
CHAIRMAN

State of New Mexico

Oil Conservation Commission



LAND COMMISSIONER
E. B. JOHNNY WALKER
MEMBER

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

P. O. BOX 871
SANTA FE

March 11, 1963

Mr. Ernest A. Hanson
Post Office Box 1515
Roswell, New Mexico

Re: Case No. 2768

Order No. R-2445

Applicant:

Ernest A. Hanson & Harold Kersey

Dear Sirs:

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

Very truly yours,

A. L. Porter, Jr.

A. L. PORTER, Jr.
Secretary-Director

15/

Carbon copy of order also sent to:

Hobbs OCC X

Artesia OCC x

Astec OCC _____

OTHER _____

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

February 28, 1963

Mr. Ernest A. Hanson
P. O. Box 1515
Roswell, New Mexico

Dear Mr. Hanson:

Reference is made to Case No. 2768, Application of Ernest A. Hanson and Harold Kersey for Special Nomenclature, Eddy County, New Mexico, which is set for hearing on our docket of March 7, 1963.

Our staff has been doing some work on this case since receiving your application. We have decided that perhaps the most convenient way to handle this situation and one which will eliminate the necessity of your appearance at a hearing would be to dismiss Case 2768 and then give consideration at the April 17 Pool Nomenclature Hearing to some other solution to the problem. This may include a contraction of the Red Lake Pool and a corresponding extension of the Artesia Pool to cover the acreage in question, or some other similar action.

Meanwhile your H & K Federal No. 1 would be authorized to produce from both the Queen and Grayburg formations.

Please advise us prior to March 7 if this arrangement will be satisfactory with you.

Very truly yours,

DANIEL S. NUTTER
Chief Engineer

DSN/og

cc: Mr. R. L. Stamets

Oil Conservation Commission - Artesia

THREATS	RANGE	NEW MEXICO PRINCIPAL	NEIGHBOR
---------	-------	----------------------	----------

A 6x6 grid with numbers 1 through 36. The numbers are arranged in a boustrophedon pattern, starting from the top right and moving left, then down to the next row and starting from the right again. A handwritten 'X' is located in the cell containing the number 9.

6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36

[The page contains several horizontal black bars redacting the information.]

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. 2768
Order No. R-2445

APPLICATION OF ERNEST A. HANSON
AND HAROLD KERSEY FOR SPECIAL
NOMENCLATURE, EDDY COUNTY, NEW
MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on March 7, 1963, at Santa Fe, New Mexico, before Daniel S. Nutter, 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 11th day of March, 1963, the Commission, a quorum being present, having considered the recommendations of the Examiner, Daniel S. Nutter, and being fully advised in the premises,

FINDS:

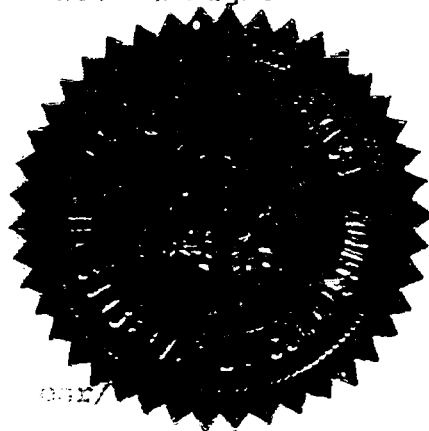
(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicants, Ernest A. Hanson and Harold Kersey, requested prior to the hearing that Case No. 2768 be dismissed.

IT IS THEREFORE ORDERED:

That Case No. 2768 is hereby dismissed without prejudice.

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

E. S. Walker
E. S. WALKER, Member

A. L. Potter, Jr.
A. L. POTTER, Jr., Member & Secretary

DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1182

SANTA FE, N. M.
PHONE 983-3571

ALBUQUERQUE, N. M.
PHONE 243-6631

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
March 7, 1963

EXAMINER HEARING

IN THE MATTER OF:

Application of Ernest A. Hanson and Harold Kersey
for special nomenclature, Eddy County, New Mexico.
Applicants, in the above-styled cause, seek an
order extending the vertical limits of that por-
tion of the Red Lake (Grayburg-San Andres) Pool
underlying the NW/4 of Section 14, Township 17
South, Range 28 East, Eddy County, New Mexico,
to include therein the Queen formation.

CASE 2768

BEFORE: Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

MR. NUTTER: We call Case 2768.

MR. DURRETT: Application of Ernest A. Hanson and Harold
Kersey for special nomenclature, Eddy County, New Mexico.

If the Examiner please, the Commission Staff has been
in communication concerning this case with the Applicant, and on
that basis I would like to state for the record that the Applicant
has agreed that the case should be dismissed at this time, and
I would so move the Examiner, on the basis that there is possibly
another solution to the problem that he is faced with at this time
without the necessity of a hearing.

MR. NUTTER: Case Number 2768 will be dismissed.

* * * *

STATE OF NEW MEXICO)
COUNTY OF BERNALILLO) ss

I, ADA DEARNLEY, 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 of the said proceedings to the best of my knowledge, skill and ability.

WITNESS my Hand and Seal this 25th day of March, 1963.

Ada Dearnley
NOTARY PUBLIC

My Commission Expires:

June 19, 1963.

DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1182

SANTA FE, N. M.
PHONE 983-3971

ALBUQUERQUE, N. M.
PHONE 243 6591

I do hereby certify that the foregoing is
a true and correct copy of the record in
the case of *37* **2768**
dated *3/27* **1963**
Adrian Examiner
New Mexico Oil Conservation Commission