

CASE 3064: Application of R. C.
DAVOUST for a waterflood expansion,
Eddy County, New Mexico.

Spec Section

4 1/2 " 9 1/2 10 555

new casing

Brainard 8-W
Spec 42-W
State 18-W

thru tubing & packer
set below top of cement

Spencer 3
State 2

CASE NO.

3064

Application,

TRANSCRIPTS,

SMALL Exhibits

ETC.

SAMPLE NO. _____

THE WESTERN COMPANY

Service Laboratory
West Highway 80

Box 310
Midland, Texas

Phone MI 3-2781 Day or Night

WATER ANALYSIS

Operator	Stanton Oil Company	Date Sampled	September 10, 1962
Well	Water Supply Well	Date Received	September 17, 1962
Field	Turkey Tract	Submitted by	Stanley Guinan
Formation		Worked by	Barry Harrison
Depth		Other Description	
County	Eddy		

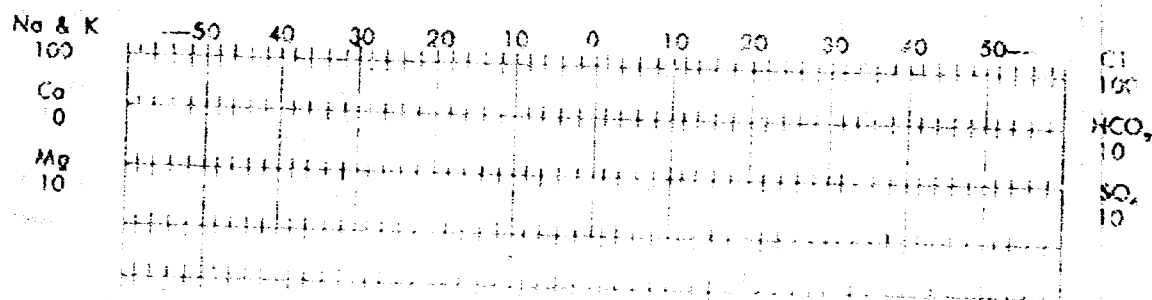
CHEMICAL DETERMINATIONS

Density	1.01. @ 75° F	pH	6.4
Iron	No trace	Hydrogen Sulfide	None
Sodium and Potassium	676 ppm	Bicarbonate	250 ppm
Calcium	840 ppm	Sulfate	1,500 ppm
Magnesium	243 ppm	Phosphate	ppm
Chloride	1,340 ppm	as Sodium Chloride	ppm
Resistivity	1.030 ohm-meters @ 75° F		

Remarks:

These results are not indicative of any Gypsum problem in this well.

for Stiff type plot (in meq./l.)



Per _____

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
July 1, 1964

EXAMINER HEARING

(Continued from June 10th)
IN THE MATTER OF: Examiner Hearing))

Application of R. C. Davoust Company for a
waterflood expansion, Eddy County, New
Mexico. Applicant, in the above-styled
cause, seeks the expansion of the Turkey
Track Queen Waterflood Project in Section
34, Township 18 South, Range 29 East and
Section 3, Township 19 South, Range 29
East, Turkey Track Field, Eddy County,
New Mexico, to include the Grayburg forma-
tion.)

Case No. 3064

BEFORE: Elvis A. Utz, Examiner.

TRANSCRIPT OF HEARING

DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1182

SANTA FE, N. M.
PHONE 983-3971

ALBUQUERQUE, N. M.
PHONE 243-6691



MR. UTZ: The next case is 3064.

MR. DURRETT: Application of R. C. Davoust Company for a waterflood expansion, Eddy County, New Mexico.

MR. UTZ: This case was likewise readvertised, testimony was given June 10th. It seems as though the previous advertisement left out one formation which they were going to flood in the Turkey Track Unit. The State Engineer also had objections since he did not have any pertinent data pertaining to the fresh waters in the area, and since the June 10th hearing the State Engineer has given a letter of approval to the injection of water in the Turkey Track Unit.

Is there any other objection to the granting of this order or any other testimony? This case will be taken under advisement.



DEARNLEY-MEIER REPORTING SERVICE, Inc.
ALBUQUERQUE, N. M.
PHONE 243-6691

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 Hearing 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.

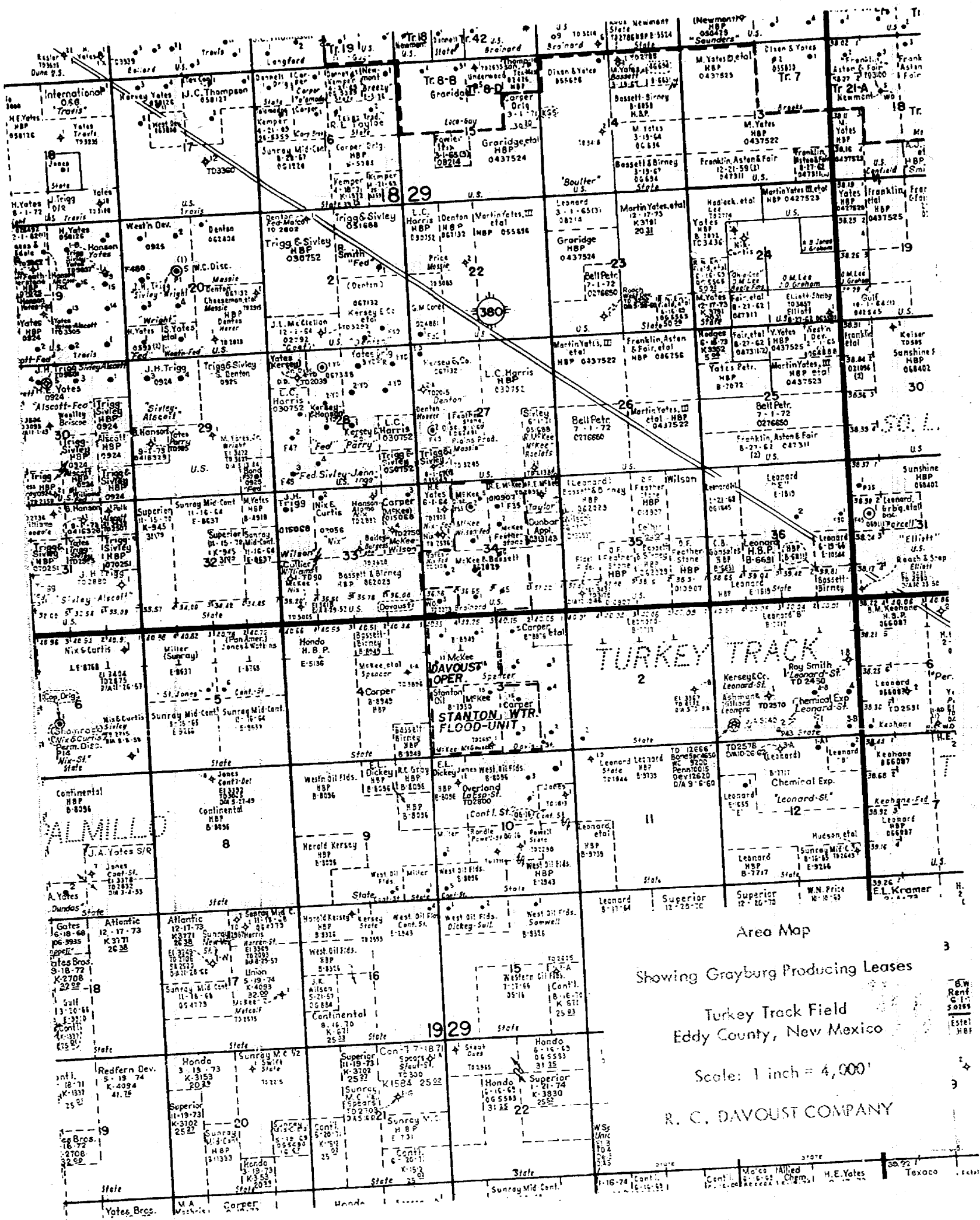
Witness my Hand and Seal this 6th day of July, 1964.

Ada Dearnley
NOTARY PUBLIC

My Commission Expires:
June 19, 1967.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 3064, heard by me on July 1, 1964.
Thurston, Examiner
New Mexico Oil Conservation Commission





Area Map

Showing Grayburg Producing Leases

Turkey Track Field
Eddy County, New Mexico

Scale: 1 inch = 4,000'

R. C. DAVOUST COMPANY

SW
Rent
G.O.
S.O.
E.O.
H.O.

GRAYBURG OIL PRODUCTION STATISTICS

R. C. DAYOUST COMPANY

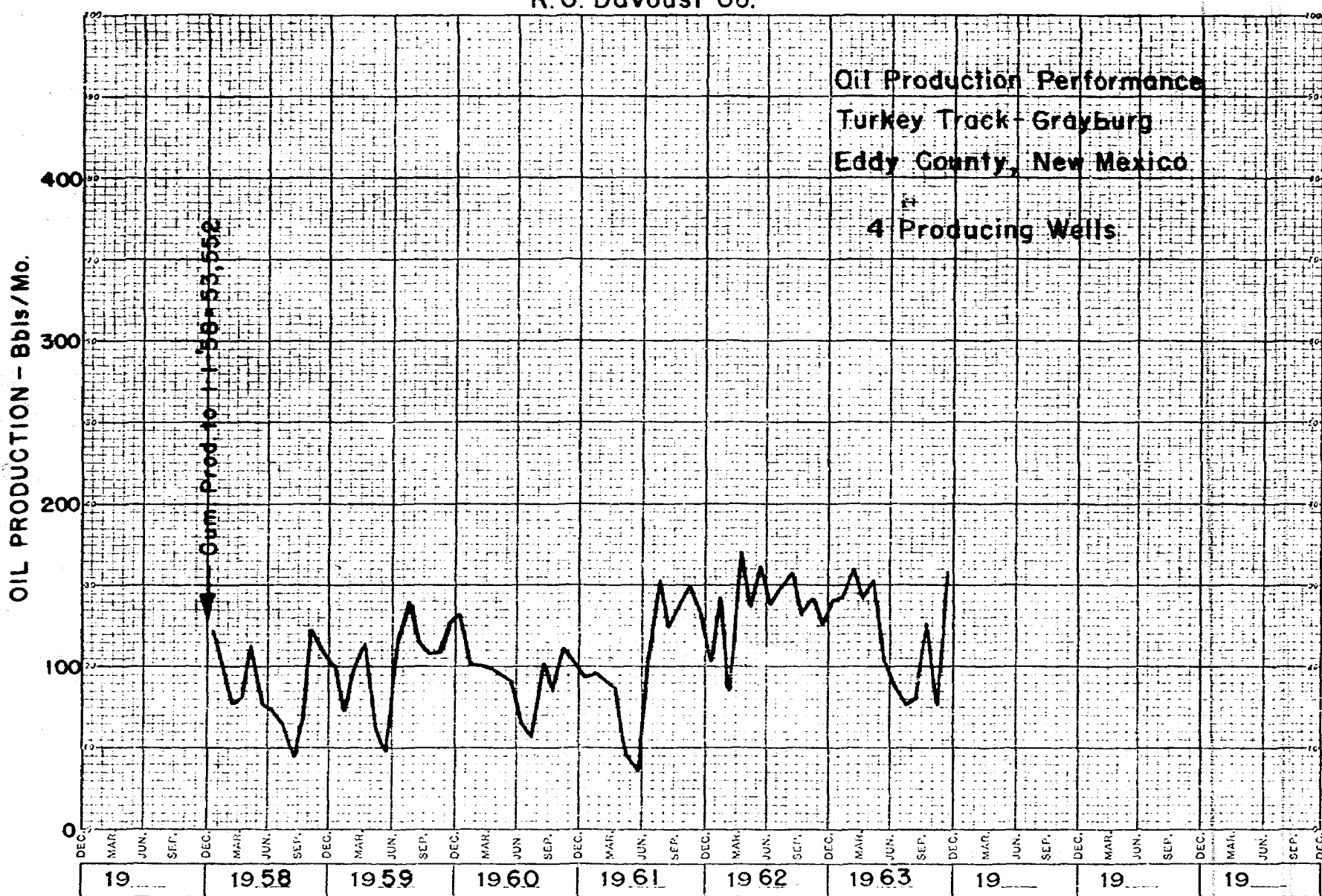
Turkey Track Queen-Grayburg Field
Eddy County, New Mexico

<u>Year</u>	<u>Spencer 3, 5 & 6 Lease</u>	<u>State 2 Lease</u>	<u>Total</u>
Cum. to 1-1-'58	39,993	13,559	53,552
1958	833	220	1,053
1959	1,071	137	1,208
1960	936	202	1,138
1961	1,042	211	1,253
1962	1,359	282	1,641
1963	1,112	333	1,445
Cum. to 1-1-'64	46,346	14,944	61,290

BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
A EXHIBIT NO. 3
CASE NO. 3064



R. C. Davoust Co.



SAMPLE NO _____

THE WESTERN COMPANY

Service Laboratory

West Highway 80

Box 310

Midland, Texas

Phone MU 3-2781 Day or Night

WATER ANALYSIS

Operator	Stanton Oil Company	Date Sampled	September 10, 1962
Well	Water Supply Well	Date Received	September 17, 1962
Field	Turkey Tract	Submitted by	Stanley Guinan
Formation		Worked by	Harry Harrison
Depth		Other Description	
County	Eddy		

CHEMICAL DETERMINATIONS

Density	1.01. @ 75° F	pH	6.4
Iron	No trace	Hydrogen Sulfide	None
Sodium and Potassium	676 ppm	Bicarbonate	250 ppm
Calcium	840 ppm	Sulfate	1,600 ppm
Magnesium	243 ppm	Phosphate	ppm
Chloride	1,840 ppm	as Sodium Chloride	ppm
Resistivity	1.030 ohm-meters @ 75 °F		

Remarks:

These results are not indicative of any Gypsum problem in this well.

for Stiff type plot (in meq./l.)

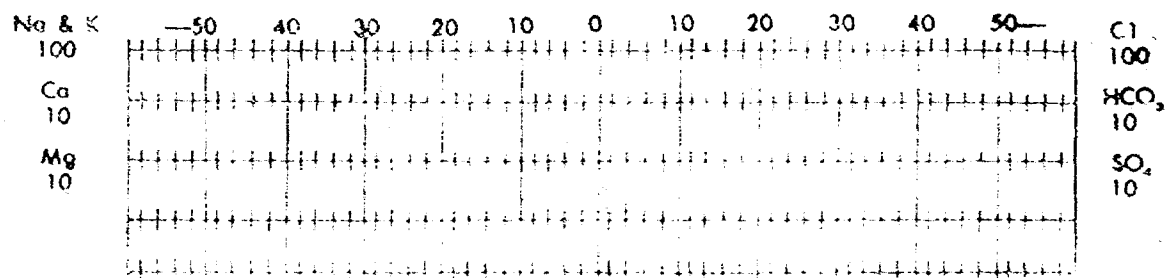
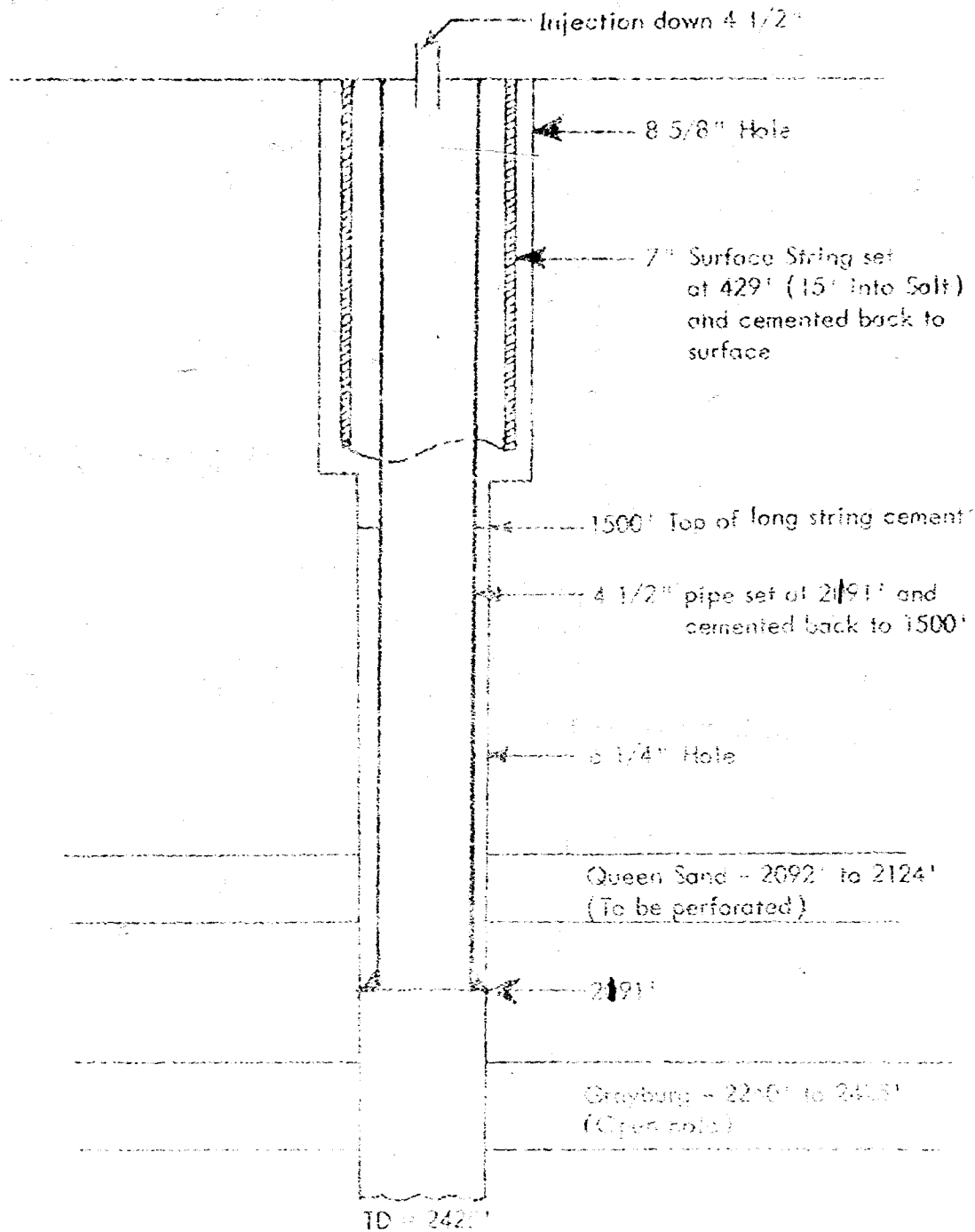


DIAGRAM OF PROPOSED WELL COMPLETION

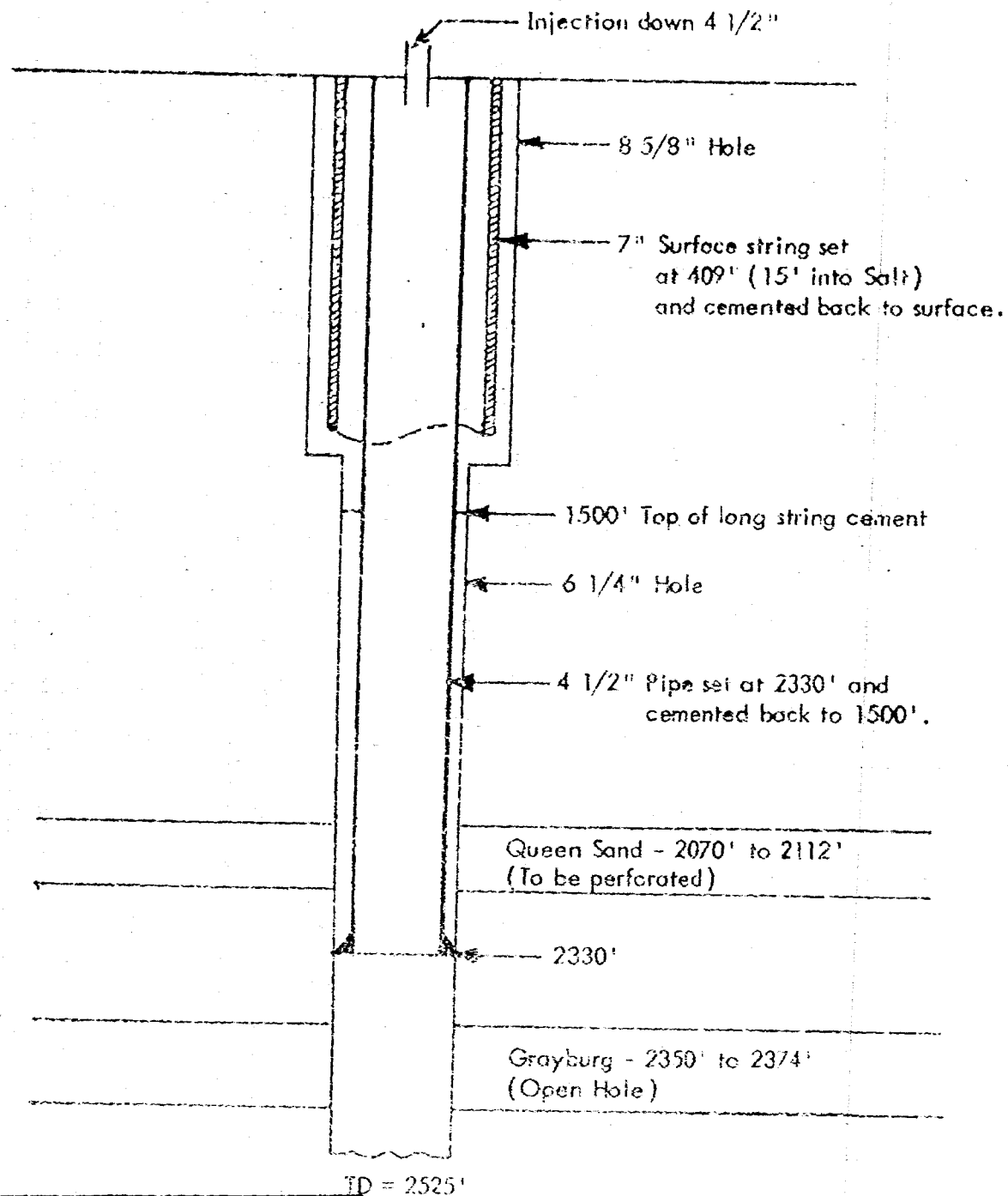
for
R. C. DAVOUST COMPANY
WATER INJECTION WELLS



BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
A EXHIBIT NO. 2
CASE NO. 3064

Well No. Brumard 8 W
Turkey Track Field
Eddy County, New Mexico

DIAGRAM OF PROPOSED WELL COMPLETION
for
R. C. DAVOUST COMPANY
WATER INJECTION WELLS

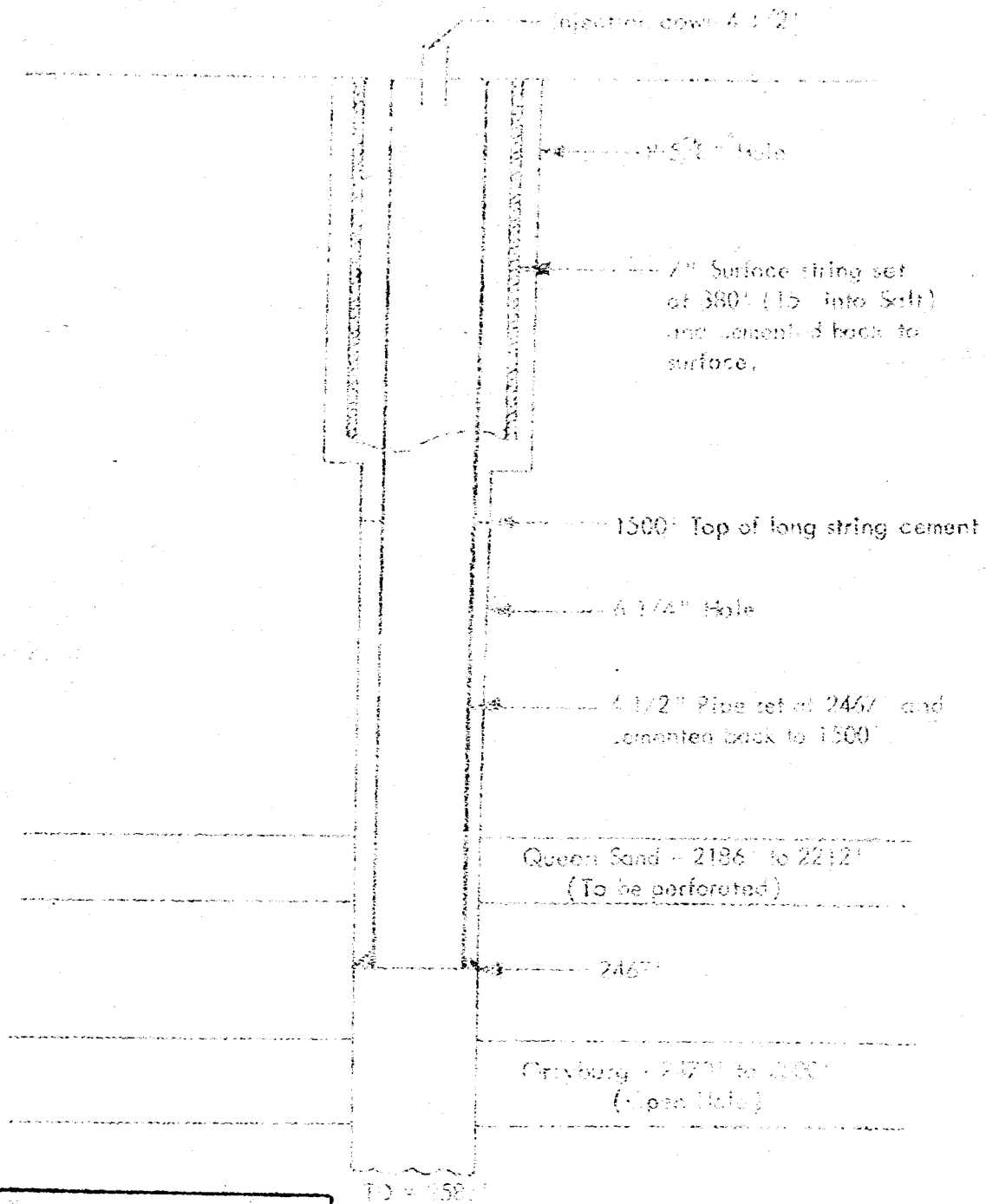


BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
A EXHIBIT NO. 8
CASE NO. 3064

Well No. Spencer 12 - W
Turkey Track Field
Eddy County, New Mexico

DIAGRAM OF PROPOSED WELL COMPLETION

R. C. CAVOUSE COMPANY
WATER INJECTION WELLS

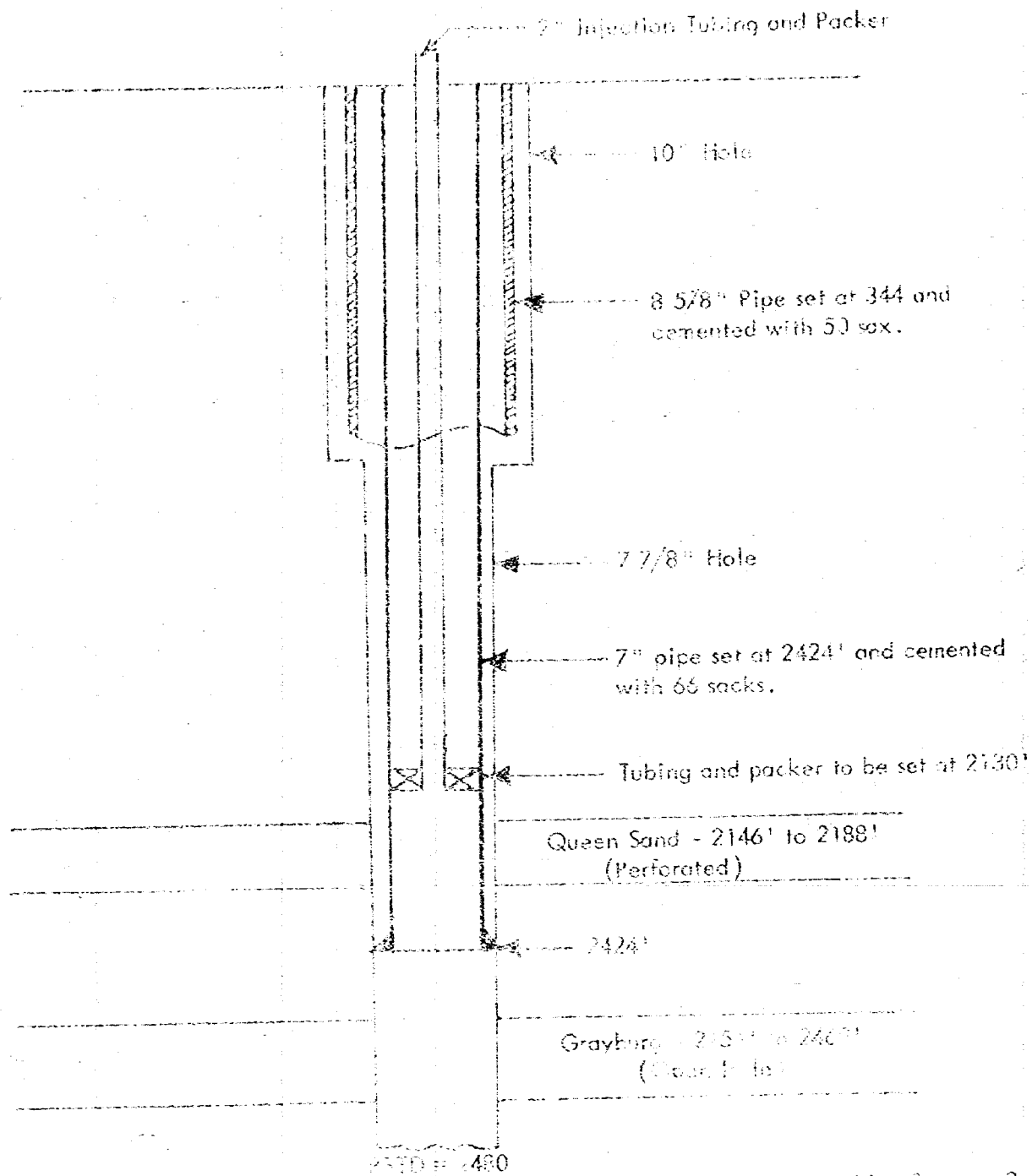


BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
A EXHIBIT NO. 9
CASE NO. 3064

W. H. S. Co. Inc.
Tulsa, Oklahoma
Tulsa County, New Mexico

DIAGRAM OF PROPOSED WELL COMPLETION

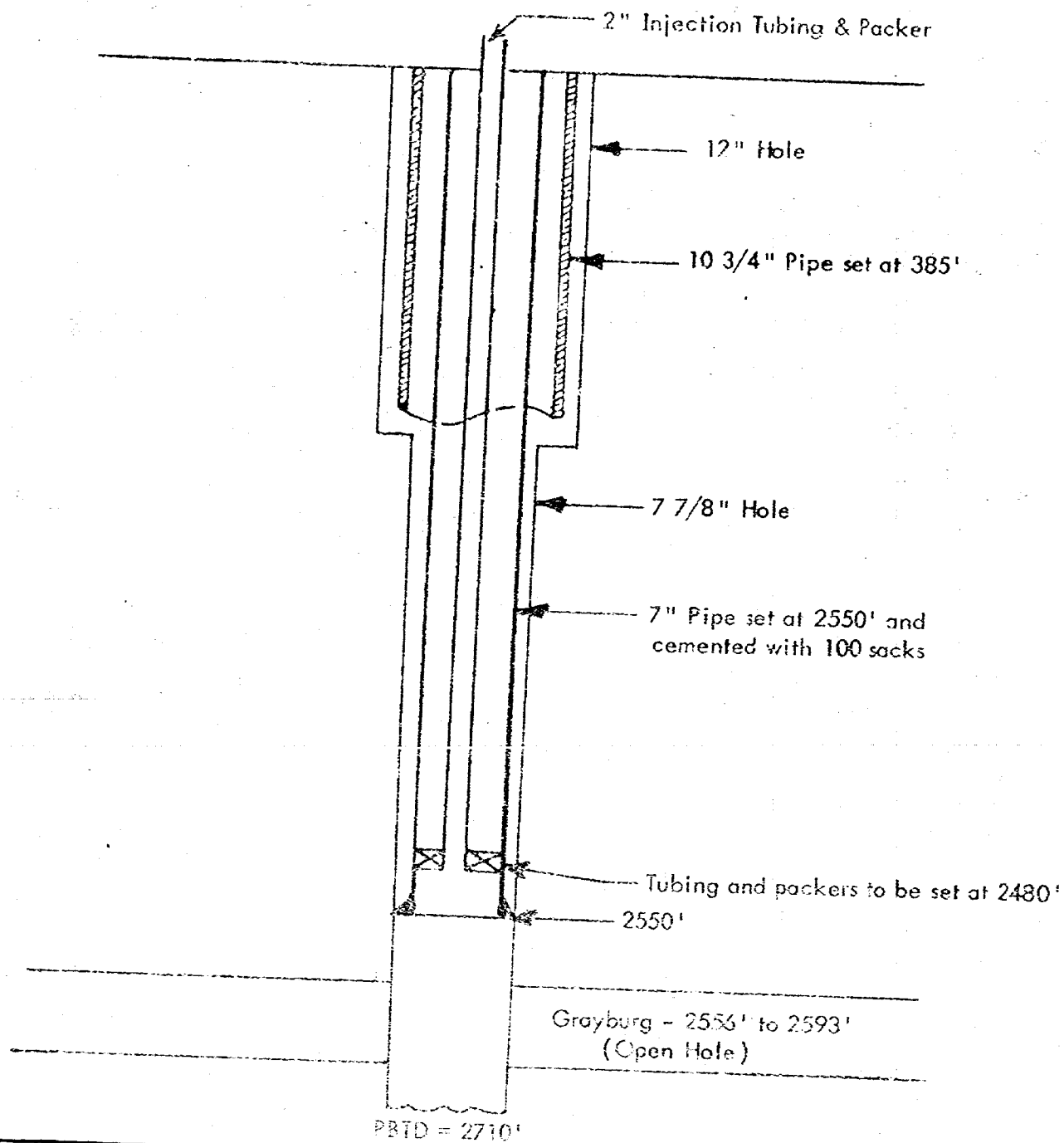
for
F. C. DAVOUST COMPANY
WATER INJECTION WELLS



Spinner 3
Turkey Track Field
Edley County, New Mexico

BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
EXHIBIT NO. 10
CASE NO. 3064

DIAGRAM OF PROPOSED WELL COMPLETION
for
R. C. DAVOUST COMPANY
WATER INJECTION WELLS



BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
EXHIBIT NO. 11
CASE NO. 3064

Well No. State 2
Turkey Track Field
Eddy County, New Mexico

Enclosed herewith is Commission Order no
R-2736, entered in Case no. 3064, ex-
pending the R.C. Dewart Turkey
Track Water Flood Project to include both
the Queen and Grayburg formations.
H Injection into the ^{Queen and} Grayburg formations
is to be through new $4\frac{1}{2}$ inch $9\frac{1}{2}$
pound J-55 casing ^{set near the top of the grayburg and} cemented back
to 1500 feet in the Brainard 8-W, Spencer
12-W, and State 18-W wells. Injection
into the Spencer 3 and the State 2
is to be through tubing ~~set~~ and under
packers set at 2130 feet and 2480
feet, respectively

cc - Dr. J.
OCC Artesia

DOCKET: EXAMINER HEARING - WEDNESDAY - JUNE 10, 1964

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, Alternate Examiner:

CASE 3063: Application of R. C. Davoust Company for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Turkey Track Section 3 Unit Area comprising 480 acres of State land in Section 3, Township 19 South, Range 29 East, Eddy County, New Mexico.

CASE 3064: Application of R. C. Davoust Company for a waterflood expansion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the expansion of the Turkey Track Queen Waterflood Project in Section 34, Township 18 South, Range 29 East and Section 3, Township 19 South, Range 29 East, Turkey Track Field, Eddy County, New Mexico, to include the Grayburg formation.

CASE 3065: Application of Gulf Oil Corporation for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the approval of the West Pearl Queen Unit Area comprising 2520 acres, more or less, of State, Fee and Federal lands in Township 19 South, Range 35 East, Lea County, New Mexico.

CASE 3066: Application of Gulf Oil Corporation for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the Pearl Queen Pool by the injection of water into the Queen formation through 30 wells in Sections 28, 29, 30, 31, 32, and 33, Township 19 South, Range 35 East, Lea County, New Mexico.

CASE 3067: Application of Texaco Inc., for the creation of a new oil pool and for special temporary pool rules, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new oil pool for Pennsylvanian production for its Navajo Tribal AL Well No. 1 located in Unit H of Section 28, Township 26 North, Range 18 West, San Juan County, New Mexico, and for the establishment of temporary pool rules including a provision for 80-acre spacing and a GOR limitation of 4000 to 1.

CASE 3068: Application of Amerada Petroleum Corporation for a salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water in the interval from 9005 to 9033 feet, Pennsylvanian formation, through its L. H. Chambers Well No. 2 located in Unit C of Section 11, Township 12 South, Range 33 East, Bagley Field, Lea County, New Mexico.

CASE 3069: Application of Continental Oil Company for a pressure maintenance project and a dual completion, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pressure maintenance project in the Pennsylvanian "CD" formation underlying its Rattlesnake lease in Sections 1, 2, 11, and 12, Township 29 North, Range 19 West, Rattlesnake-Pennsylvanian "CD" Pool, San Juan County, New Mexico.

- 2 -

June 10 Examiner Hearing - Docket No. 16-64

Initial injection to be through two wells located in Units B and H of Section 11, one of which, No. 146 in Unit B, would be dually completed for water injection through tubing and Pennsylvanian "B" Gas Pool production through the casing tubing annulus. Applicant further seeks the promulgation of special rules for the operation of said project.

CASE 3038: Application of Kennedy Oil Company for a waterflood buffer zone and capacity allowables, Eddy County, New Mexico, or a determination that an offset well is producing primary oil. Applicant, in the above-styled cause, seeks the designation of the N/2 SW/4 of Section 20, Township 16 South, Range 31 East, Square Lake Pool, Eddy County, New Mexico, as a buffer zone adjacent to a waterflood project operated in the S/2 SW/4 of said Section 20 by Newmont Oil Company and the assignment of capacity allowables to applicant's Rowley Federal Wells Nos. 1 and 2 located in Units K and L, respectively, of said Section 20. In the alternative, applicant seeks a determination that the Newmont well located in Unit N and applicant's wells in Units K and L of Section 20 are producing primary oil and are not affected by the Newmont waterflood. Upon such determination, applicant seeks the assignment of normal primary allowables to the wells located in Units K, L and N of Section 20.

NEIL B. WATSON
FRED A. WATSON

LAW OFFICES
WATSON & WATSON
CARTER BUILDING - P. O. BOX 161
ARTESIA, NEW MEXICO
Drawer E

TELEPHONE
SHERWOOD 6-4151

May 13, 1964

New Mexico Oil Conservation Commission,
State Land Office Building,
Santa Fe, New Mexico.

Attention: Mr. Daniel S. Nutter

Dear Mr. Nutter:

Re: Proposed water flooding of Grayburg Formation
under Turkey Track Field, Eddy County, New Mexico,
R. C. Davoust Company, operator.

Pursuant to our telephone conversation of this date, we now make application on behalf of Richard C. Davoust and R. C. Davoust Company to carry out a program of water flooding of the Grayburg Formation under a part of Section 3, Township 19 South, Range 29 East, N.M.P.M., Eddy County, New Mexico, by injecting water into the Grayburg Formation through three wells as follows:

Two wells drilled and completed as injection wells at unorthodox locations in Section 3, Township 19 South, Range 29 East, N.M.P.M., as follows:

Spencer Well No. 12-W, located 5 feet from the South Line and 5 feet from the East Line of Unit C.

State Well No. 18-W, located 5 feet from the South Line and 5 feet from the East Line of Unit K.

Also, one producing oil well to be converted to an injector well drilled at an orthodox location in Section 3, Township 19 South, Range 29 East, N.M.P.M., and located 660 feet from the North Line and 660 feet from the East Line of Unit H.

As you are aware, Richard C. Davoust and R. C. Davoust Company are presently carrying on a program of water flooding of the Queen Sand (Red Sand) Formation under said Section 3, as more particularly reflected by Order No. R-2671 entered in Case No. 3010 before the Conservation Commission. I am not entirely certain whether the authority sought herein can be granted only after hearing. If the injection through the above mentioned wells into the Grayburg Formation requires a hearing, please set the case on the docket for the next hearing date and issue the necessary Notice of publication.

Your consideration in this matter will be greatly appreciated.

Yours very truly,

WATSON & WATSON

By

Fred A. Watson
Attorneys for R. C. Davoust

FAW:rjb

DOCKET MAILED

6-1-64

[Handwritten signature]

Page No. 2

cc: Mr. Richard C. Davoust,
P. O. Box 266,
Evansville, Indiana.

Mr. William E. Fickert,
Ryder Scott Company,
306 Wilkinson-Foster Building,
Midland, Texas.

Mr. Frank E. Irby, Chief,
Water Right Division,
Office of the State Engineer,
P. O. Box 1079,
Santa Fe, New Mexico.

Docket No. 18-64

DOCKET: EXAMINER HEARING - WEDNESDAY - JULY 1, 1964

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 3063: (Continued from June 10th Examiner Hearing)

Application of R. C. Davoust Company for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Turkey Track Section 3 Unit Area comprising 480 acres of State land in Section 3, Township 19 South, Range 29 East, Eddy County, New Mexico.

CASE 3064: (Continued from June 10th Examiner Hearing)

Application of R. C. Davoust Company for a waterflood expansion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the expansion of the Turkey Track Queen Waterflood Project in Section 34, Township 18 South, Range 29 East and Section 3, Township 19 South, Range 29 East, Turkey Track Field, Eddy County, New Mexico, to include the Grayburg formation.

CASE 3070: Application of Nearburg & Ingram and Kincaid & Watson Drilling Company for a waterflood project, Eddy County, New Mexico. Applicants, in the above-styled cause, seek authority to institute a waterflood project in the Square Lake Pool by the injection of water into the Grayburg formation through three wells located in Section 6, Township 17 South, Range 30 East, Eddy County, New Mexico.

CASE 3071: Application of Texas Pacific Oil Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the dual completion (conventional) of its J. P. Collier Well No. 1 located in Unit F of Section 10, Township 11 South, Range 33 East, Lea County, New Mexico, to produce oil from the North Bagley-Upper Pennsylvanian Pool and an undesignated Middle Pennsylvanian Pool through 2 1/16 inch tubing.

CASE 3060: (Reopened)

Application of Frank Darden for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the Artesia Pool in his Cowtown Unit Area by the injection of water into the Grayburg and San Andres formations through two injection wells in Sections 13 and 24, Township 18 South, Range 28 East, Eddy County, New Mexico.

CASE 3072: Application of Coastal States Gas Producing Company for the extension of a pool and for special temporary pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the extension of the Flying "M" San Andres Pool in Township 9 South, Range 33 East, Lea County, New Mexico, and temporary special rules therefor, including a provision for 80-acre well spacing and proration units.

CASE 3073: Application of Texaco Inc., for the creation of a new oil pool and for special temporary pool rules, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new oil pool for Pennsylvanian production for its Navajo Tribal AL Well No. 1 located in Unit H of Section 28, Township 26 North, Range 18 West, San Juan County, New Mexico, and for the establishment of temporary pool rules including a provision for 160-acre spacing and a GOR limitation of

4000 to 1. Applicant further seeks the establishment of an administrative procedure whereby interference tests could be conducted and allowables transferred.

- CASE 3074:** Application of Continental Oil Company for an amendment of Order No. R-2385, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-2385 to substitute for water injection purposes a well located in Unit H of Section 9, Township 17 South, Range 29 East, Eddy County, New Mexico, for the presently authorized well in Unit I of said Section 9.
- CASE 3075:** Application of Marathon Oil Company for a special gas well test, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to produce and flare approximately 1000 MCF per day for a period of not less than three nor more than 30 days from Tom Brown Drilling Company's Antelope Sink Unit Well No. 1, located in Unit G of Section 18, Township 19 South, Range 24 East, Eddy County, New Mexico, in an effort to evaluate the reservoir.
- CASE 3076:** Application of Marathon Oil Company for a non-standard oil proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an 80-acre non-standard proration unit comprising the SE/4 NW/4 and NE/4 SW/4 of Section 31, Township 17 South, Range 35 East, Vacuum-Upper Pennsylvanian Pool, Lea County, New Mexico, said unit to be dedicated to its State Warn A/1 Well No. 3, located in Unit F of said Section 31.
- CASE 3078:** (Reopened)
Application of Kennedy Oil Company for a waterflood project and for designation of a waterflood buffer zone, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the Square Lake Pool by the injection of water into the Grayburg-San Andres formation through one well located in Unit 1 of Section 20, Township 16 South, Range 31 East, Eddy County, New Mexico. Applicant further seeks the designation of the N/2 SW/4 of said Section 20 as a buffer zone offsetting Newmont Oil Company's Waterflood Project immediately south.



MAIN OFFICE OCC

1964 JUN 24 AM 7:42
STATE OF NEW MEXICO
STATE ENGINEER OFFICE
SANTA FE

S. E. REYNOLDS
STATE ENGINEER

June 22, 1964

ADDRESS CORRESPONDENCE TO:
STATE CAPITOL
SANTA FE, N. M.

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

Dear Mr. Porter:

Reference is made to the application of R. C. Davoust which was the subject of Oil Conservation Commission Case 3064 at the June 10th hearings before Examiner Daniel S. Nutter.

This office offers no objection to the granting of the application to use the Brainard 8-W well, the Spencer 12-W, the State 18-W, the Spencer 3 and the State 2 as injection wells in their Turkey Tract Pool Waterflood Project, provided the Brainard 8-W, the Spencer 12-W and the State 18-W are equipped with new API standard 4½" - 9½ lbs. J-55 casing and the Spencer No. 3 and State 2 inject through tubing and packer with the packer set well below the known top of the cement surrounding the 7 inch pipe.

Very truly yours,

S. E. Reynolds
State Engineer

By: *Frank E. Irby*
Frank E. Irby
Chief
Water Rights Div.

FEI/ma
cc-Fred A. Watson
Wm. E. Fickert
F. H. Hennighausen

DRAFT

JMD/esr

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:

CF Subj. Waterflood
Extension
Turkey Track
Queen-Grayburg

CASE No. 3064

Order No. R- 2736

Spec etc -

APPLICATION OF R. C. DAVOUST COMPANY
FOR A WATERFLOOD EXPANSION, EDDY COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on
July 1, 1964, at Santa Fe, New Mexico, before Examiner
Elvis A. Utz.

NOW, on this day of July, 1964, 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, R. C. Davoust Company, seeks author-
ity to expand the Turkey Track Queen Pool Waterflood Project in
Section 34, Township 18 South, Range 29 East and Section 3, Town-
ship 19 South, Range 29 East, NMPM, Turkey Track Field, Eddy County,
New Mexico, to include the Grayburg formation.

(3) That the proposed expansion should result in the recovery
of otherwise unrecoverable oil, thereby preventing waste.

(4) That the Turkey Track Queen Pool Waterflood Project
should be expanded to include the Grayburg formation and should

be governed by the provisions of Rule 701 of the Commission Rules and Regulations.

IT IS THEREFORE ORDERED:

(1) That the applicant, R. C. Davoust Company, is hereby authorized to expand the Turkey Track Queen Pool Waterflood Project in Section 34, Township 18 South, Range 29 East and Section 3, Township 19 South, Range 29 East, NMPM, Turkey Track Field, Eddy County, New Mexico, to include the Grayburg formation.

(2) That the subject waterflood project shall be governed by the provisions of Rule 701 of the Commission Rules and Regulations, including the allowable provisions thereof, and including the provisions with respect to expansion of the waterflood project.

(3) That monthly progress reports of the waterflood project herein authorized shall be submitted to the Commission in accordance with Rules 704 and 1119 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.

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. 3064
Order No. R-2736

APPLICATION OF R. C. DAVOUST COMPANY
FOR A WATERFLOOD EXPANSION, EDDY COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on July 1, 1964, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 8th day of July, 1964, 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, R. C. Davoust Company, seeks authority to expand the Turkey Track Queen Pool Waterflood Project in Section 34, Township 18 South, Range 29 East and Section 3, Township 19 South, Range 29 East, NMPM, Turkey Track Field, Eddy County, New Mexico, to include the Grayburg formation.
- (3) That the proposed expansion should result in the recovery of otherwise unrecoverable oil, thereby preventing waste.
- (4) That the Turkey Track Queen Pool Waterflood Project should be expanded to include the Grayburg formation and should be governed by the provisions of Rule 701 of the Commission Rules and Regulations.

-2-

CASE No. 3064

Order No. R-2736

IT IS THEREFORE ORDERED:

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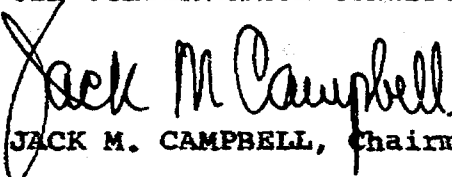
(2) That the subject waterflood project shall be governed by the provisions of Rule 701 of the Commission Rules and Regulations, including the allowable provisions thereof, and including the provisions with respect to expansion of the waterflood project.

(3) That monthly progress reports of the waterflood project herein authorized shall be submitted to the Commission in accordance with Rules 704 and 1119 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.

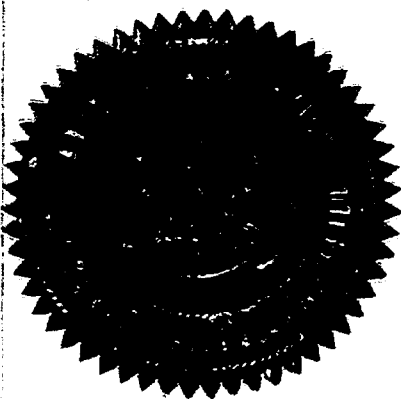
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


JACK M. CAMPBELL, Chairman


E. S. WALKER, Member


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



esr/

MAIN OFFICE OCC

1964 JUN 18 PM 1:19

June 17, 1964

*File
Case 3064*

Mr. Fred A. Watson
Watson & Watson
Attorneys at Law
Artesia, N. M.

Dear Mr. Watson:

Receipt of your letter dated June 15, 1964 is acknowledged and your explanation of your problem at the time of the hearing is appreciated.

I have received a copy of a letter dated June 11, 1964 addressed to the Oil Conservation Commission by Mr. Fickert which gives a tabulation of the well locations in Section 3, T. 19 S., R. 29 E.

I have not received a copy of the application of R. C. Davoust seeking a water flood expansion. It will not be possible for me to give the Commission a waiver until I have received and had an opportunity to study the application.

Yours truly,

S. E. Reynolds
State Engineer

By:
Frank E. Irby
Chief
Water Rights Div.

FEI/ma
cc-Oil Conservation Commission

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

July 8, 1964

C
O
P
Y

Mr. Fred A. Watson
Watson & Watson
Attorneys at Law
Post Office Drawer B
Artesia, New Mexico

Dear Sir:

Enclosed herewith is Commission Order No. R-2736, entered in Case No. 3064, expanding the R. C. Davoust Turkey Track Water-flood Project to include both the Queen and Grayburg formations.

Injection into the Queen and Grayburg formations is to be through new 4 1/2 inch 9 1/2 pound J-55 casing set near the top of the Grayburg and cemented back to 1500 feet in the Brainard R-W, Spencer 12-W, and State 18-W wells. Injection into the Spencer 3 and the State 2 is to be through tubing and under packers set at 2130 feet and 2480 feet, respectively.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/ir

cc: Oil Conservation Commission
Artesia, New Mexico

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

Case file

RYDER SCOTT COMPANY
PETROLEUM ENGINEERS

MIDLAND,

TEXAS

June 11, 1964

OFFICE OCC

JN 14 PM 12:51

Mr. A. L. Porter, Jr.
Secretary-Director
Oil Conservation Commission
State of New Mexico
P. O. Box 871
Santa Fe, New Mexico

Dear Sir:

Re: R. C. Davoust Company
Case 3063 and Case 3064
Turkey Track Field
Eddy County, New Mexico

As requested at the above Examiner Hearing on June 10, 1964, we have tabulated well locations in Section 3, Township 19 South, Range 29 East as follows:

Well
Name and Number

Spencer 1
Spencer 2
Spencer 3
Spencer 5
Spencer 6
Spencer 12-W
State 1
State 2
State 3
State 4
State 5
State 10
State 14-W
State 15
State 16
State 17
State 18-W

Location
In Sec. 3, T-19-S, R-29-E

660' FNL, 660' FWL
660' FNL, 1980' FWL
1980' FNL, 660' FEL
660' FNL, 1980' FEL
1980' FNL, 1980' FEL
1315' FNL, 2635' FWL
330' FSL, 990' FEL
660' FSL, 660' FEL
660' FSL, 1980' FEL
2310' FSL, 660' FEL
1850' FSL, 1650' FEL
2310' FSL, 2310' FWL
2635' FNL, 1325' FWL
1980' FSL, 1980' FSL
1980' FNL, 1980' FWL
1650' FNL, 990' FWL
1325' FSL, 2635' FWL

DOCKET MAILED

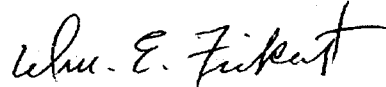
Date 6-17-64

Mr. A. L. Porter, Jr.
June 11, 1964
Page 2

If we can be of further assistance in this matter please advise.

Yours very truly,

RYDER SCOTT COMPANY
PETROLEUM ENGINEERS



William E. Fickert
Agent for R. C. Davoust Co.

WEF:ab

cc: Mr. D. S. Nutter
Mr. Frank Irby
Mr. R. C. Davoust
Mr. Fred Watson

RYDER SCOTT COMPANY PETROLEUM ENGINEERS

DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1182

SANTA FE, N. M.
PHONE 983-3971

ALBUQUERQUE, N. M.
PHONE 243-6691

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

June 10, 1964

EXAMINER HEARING

IN THE MATTER OF:

Application of R. C. Davoust Company
for a unit agreement, Eddy County, New
Mexico.

Application of R. C. Davoust Company
for a waterflood expansion, Eddy County,
New Mexico.

Case No. 3063 &
3064

BEFORE:

DANIEL S. NUTTER, EXAMINER

TRANSCRIPT OF HEARING

MR. NUTTER: The hearing will come to order, please. The
first case this morning will be Case No. 3063.

MR. DURRETT: Application of R. C. Davoust Company for a
Unit Agreement, Eddy County, New Mexico.

MR. WATSON: I am Fred Watson of Artesia, New Mexico, of
Watson & Watson, Attorneys; and I represent the applicant in



this case.

MR. NUTTER: You also have Case No. 3064, which is an extension of a Waterflood Project in the same area as covered by the Unit. Is there any possibility you might want to consolidate these cases for the purpose of hearing?

MR. WATSON: That will be satisfactory.

MR. NUTTER: We will also call Case No. 3064.

MR. DURRETT: Application of R. C. Davoust Company for a Waterflood Expansion, Eddy County, New Mexico.

MR. NUTTER: Case No. 3063 and Case No. 3064 will be consolidated for purposes of testimony.

MR. WATSON: I also represent Mr. R. C. Davoust. Mr. William E. Fickert, Petroleum Engineer with Ryder Scott Company, Midland and Wichita Falls, Texas will be a witness for the Applicant.

MR. DURRETT: Would you stand and be sworn, please?

(Witness sworn.)

MR. WATSON: Mr. Fickert has testified before the Commission before. I wonder if his qualifications may be accepted?

MR. NUTTER: Yes, sir, they are, proceed.

DIRECT EXAMINATION

BY MR. WATSON:

Q Mr. Fickert, you are employed by R. C. Davoust Company



as a Petroleum Engineer on the Turkey Track Waterflood Project in Eddy County, New Mexico?

A Yes, sir.

Q You have been so employed for a period of time?

A Yes, sir.

Q Approximately how long, sir?

A Since January of 1961.

Q Now, with reference to the Application under Case No. 3063, the Application for formation of a Turkey Track Unit No. 3, I hand you what has been marked Exhibit 1. I will ask you to describe that Exhibit, please.

A Shown colored in yellow is the proposed unitized area for the Turkey Track Section 3 Unit.

Q Does it also show the wells surrounding it in the area?

A It shows other area wells, yes, sir. This is a recent county map.

Q All right, sir. I hand you what has been marked Exhibit 2 in Case 3063, and I will ask you to please state what that depicts, sir.

A This is the Exhibit B, and is the actual Exhibit B for the Unit Agreement, and it shows the proposed unitized area in Section 3.

Q Does it show the various classifications of wells?



A It shows injection wells, producing wells, and one abandoned well.

Q I hand you what has been marked Exhibit No. 3 in Case 3063 and I will ask you to describe that Exhibit, please, sir?

A Exhibit 3 is the oil production statistics showing cumulative production from the Queen-Grayburg and from the Seven Rivers through 1957, and then the yearly production figure for 1958 through 1963, and cumulative for all of the zones involved.

Q This is your cumulative production statistics?

A Yes.

Q I will hand you what has been marked Exhibit 4 in Case No. 3063, and ask you to describe that Exhibit.

A Exhibit 4 is the summary of tract participation as determined in Unit Participation. It shows the expected reserves at one-one-sixty four (1-1-64) for each well in the Unit Area; and then it shows the percentage of the total Unit each well will receive in the Unit Agreement.

Q Was this prepared for the purpose of arriving at the proposed participation factors?

A Yes, sir.

Q I will hand you what has been marked Exhibit 5 and ask you to just describe Exhibit 5.

A Exhibit 5 is the Unit Agreement. It also includes



Exhibit "A" which is a tabulation of well participation in the Unit and Exhibit "B", which has been used previously, shows the outline of the Unit Area.

Q Now, is there more than one participation factor for some of the tracts within a Unit?

A Some of the tracts have Grayburg production, some tracts have Grayburg-Queen, and some tracts have only Queen, so, we have participations of each Queen and Grayburg, for each tract.

Q In other words, this is to be a dual flood under this?

A Yes.

Q As to certain of the tracts, did you, yourself, work out the participations factors in this?

A Yes, sir.

MR. WATSON: By way of explanation of this procedure, we only received the completed Unit Agreement yesterday, and we have filed it with the Commissioner's Office with the understanding that we would make any corrections which are necessary as to form or content. At this time, we do wish to go on with this Hearing. The Unit Agreement which we have submitted has been signed by R. C. Davoust.

Q R. C. Davoust is the working interest owner of all of the rights which we intend to unitize?

A Yes, sir.



Q The state is the owner of all royalty interests and all mineral interests.

MR. WATSON: We are meeting tomorrow with the lease owners of record whom we believe will sign the Unit Agreement. We are also meeting tomorrow with the over-riding royalty interest owners, who we believe will sign the Unit, and we understand, of course, that until we show participation in full it will not become effective.

MR. NUTTER: But you are offering this copy of the Unit Agreement as a copy of the agreement which was submitted to the Commissioner of Public Land and which has not been signed by the royalty owners and the over-riding owners; is that correct?

A That's correct.

MR. WATSON: That's correct.

MR. NUTTER: And you are agreeing that this Unit Agreement will be amended as required by the Commissioners of Public Land?

MR. WATSON: Yes, sir, we are.

MR. NUTTER: Okay.

Q (By Mr. Watson) Now then, Mr. Fickert, you worked out the participation factors on this unit and you worked out the area to be unitized; is that correct?

A Yes, sir.



Q As a matter of fact, this Unit is proposed to be formed so that the Queen and the Grayburg, if the Grayburg is authorized to be flooded, maybe affected differently, flooded together; is that correct?

A That's true.

Q One of the primary purposes of this Unit is so that the oil may be commingled in order to eliminate tank batteries?

A Well, several of these wells have tank batteries. We have thirteen wells and we have eight tank batteries. We ease of operation and for later when we have water production we will be able to handle the separation and treating problems all at one battery rather than eight different batteries.

Q Which should result in economic operation?

A Yes, sir.

Q Have you plotted your Grayburg pool as it underlies this unit?

A In our next Hearing, I have; yes, sir.

Q All right.

A I have shown that.

MR. WATSON: The subsequent Case 3064 is, of course, the Application for the Grayburg, and if the Examiner prefers, we will just put them all on and call for cross examination of the witness.

MR. NUTTER: Go ahead with your extension of the water



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flood, and we can talk about the whole thing.

MR. WATSON: All right, sir.

Q (By Mr. Watson) As to Exhibits 1 through 4, inclusive in Case 3063, these were prepared by you or under your direct supervision?

A Yes, sir.

Q As to the Exhibit 5, which is a copy of the Unit Agreement, you are familiar with it and know the terms thereof, you have read it?

A Yes, sir.

MR. WATSON: We move the introduction of Exhibits 1 through 5 in Case No. 3063.

MR. NUTTER: The R. C. Davoust Exhibits 1 through 5 in Case 3063 will be admitted into evidence.
(Whereupon, Exhibits 1 through 5 were received in evidence.)

Q (By Mr. Watson) Now then, directing your attention to the application under Case No. 3064, which is an Application to expand the Queen water flood to include the Grayburg in parts of the area now being flooded.

I hand you what has been marked Exhibit "A" in Case 3064, and I will ask you to describe what that depicts, sir.

A Exhibit 1 --

Q Exhibit 1, excuse me.

A -- shows in color the wells which are producing from



the Grayburg reservoir and which we are asking for our flood to cover.

Q Does it show wells in the surrounding area, also?

A Yes, sir.

Q It is an area map?

A Yes, sir.

Q And I hand you Exhibit 2 and ask you to state what that Exhibit depicts?

A Exhibit 2 is a large scale drawing essentially of the county map, and colored in green is the area which is now producing Grayburg oil which we believe will be flooded.

Q Are the Grayburg wells shown?

A Yes, sir, the Grayburg producers are shown as such.

Q This also shows the Queen wells?

A Yes, sir.

Q And the injection wells?

A It shows the injection wells we have drilled.

Q Have drilled?

A But have not completed as such; that were drilled from permission granted in another Hearing.

Q Exhibit 3, would you describe Exhibit 3, please, sir?

A Exhibit 3 shows Grayburg production from the four producing wells in the Grayburg.

Q Would you give the numbers of those wells?



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A One lease is the Spencer Three, Five, and Six; and the other lease is the State Two. It shows the cumulative production through 1957, and it shows yearly production through 1963.

Q Insofar as the Grayburg production depicted on Exhibit 3, is it in your opinion approaching the economic limits?

A Yes, sir.

Q So that flooding would be feasible?

A Flooding is feasible, right.

Q Would you look at Exhibit 4, please, sir?

A It is a graphical representation of the date as shown in Exhibit 3, except it is on a monthly basis.

Q And I hand you Exhibit 5 in Case 3064, and I will ask you what that is, please, sir?

A Exhibit 5 shows the intended flooded area for the Grayburg. It shows the five injection wells which we believe will sufficiently flood the Grayburg and it shows the Grayburg producers.

Q Does it show injection wells which will be used solely for injection in the Queen and Grayburg?

A Yes, sir, it does.

Q Did you, yourself, plot the area of the holes to be flooded on the Grayburg --

A Yes, sir.



Q -- which is shown in red?

A Yes, sir. We might add we are asking for injections into five wells, four of them will be dual injection wells. Brainard "8-W", Spencer 12-W, State 18-W, and Spencer 3-W will be dual injectors. The Spencer 3 will be dually completed. It is now a Grayburg producer, and the State 2 will be a Grayburg injector only.

Q Now, is it your opinion from plotting the extent of the Grayburg area to be flooded, that that's a fairly accurate depiction of the Grayburg as it underlies Section 3?

A The productive areas are probably slightly larger, but this is what we feel we can flood.

Q Practically flooded?

A Practically, economically flood; yes, sir.

Q Would you briefly describe Exhibit No. 6, sir?

A Exhibit No. 6 is a most recent water analysis on the water we are now injecting in Section 34. In other words, we feel its representative of the water from our water supply.

Q Now then, I will hand you Exhibits 7, 8, 9, 10, and 11 which are all schematic diagrams of well completions, and I will ask you to go through them, well by well, giving the Well Number and the type of completion.

A Yes, sir. Exhibit 7 is a diagram of the Brainard "8-W". This is an injection well that has been recently drilled on the



line between the Federal Section 34 and the State Section 3. We have permission to inject into the Queen Sand down the casing. We have cemented the well back to 1,500 feet, and while drilling this well we drilled through the Grayburg to check the reservoir, and if permission is granted here, we intend to inject dually through perforations into the Queen Sand and open hole into the Grayburg.

This is Spencer 12-W, Exhibit 8 and it is in the same category as "8-W".

Q Is that a similar completion?

A Similar completion, recent completion.

Exhibit 9 is a recently drilled well, State 18-W, and it is to be injected into similarly.

The Spencer 3 is an old producer and it will be injected down the tubing and dually into the Queen Sand through perforations and into the Grayburg through the hole. That is Exhibit 10.

Exhibit 11 is a diagram of State No. 2 into which we will inject down to 1/2" tubing and inject into open hole into the Grayburg.

Q Now, those constitute the Exhibits in Case 3064. If permission is granted to inject into the Grayburg in the wells which are proposed to be injected in the Grayburg, is it your opinion that this will be an effective pattern for the Grayburg



as well as the pattern already established for the Queen?

A We believe so, yes, sir.

Q And it is economically feasible and will result in best recovery of oil with the protection of correlative rights?

A With unitization.

Q With unitization. Now, the Unit about which you testified in Case No. 3063 if that Unit should be approved and executed, this will give you the most effective manner in which to flood the Grayburg and the Queen within the area you propose to flood the Grayburg; is that correct?

A Yes, sir, we believe so.

MR. WATSON: That is the Applicant's case.

MR. NUTTER: Does anyone have any questions of the Witness?

MR. IRBY: Frank Irby from the State Engineer's Office. I have a statement to make, Mr. Examiner. The State Engineer objects to the granting of Application 3064, for failure of the Applicant to comply with Rule 701, which requires that the sketches referred to, I presume, the ones referred to in the testimony, be submitted to the State Engineer. We have not received anything other than Mr. Watson's letter to the Commission.

MR. WATSON: If the Examiner please, I would like to make a statement on this.

We were under the Impression, incorrect I am sure, but we

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were under the impression that perhaps we could, rather than unitize this communicate this, and we had a great deal of difficulty in getting all of the data together. We are prepared to sit down with the State Engineer. We recognize that the State Engineer must have these diagrams; but --

A We have a set for him.

MR. WATSON: -- we have a set for him. We were in the State Engineer's Office this morning, and it came time to come up here before we could see you. I have your letter and I was proposing to bring these Exhibits to you.

MR. NUTTER: You have a set of Exhibits for the State Engineer.

A Unless he has seen these --

CROSS EXAMINATION

BY MR. NUTTER:

Q Now, how many of these well, have actually been authorized previously for these injections? I believe the Brainard "8-W" has, into the Queen?

A Into the Queen. The State "12-W".

Q It has been; and the "18-W"?

A Yes, sir.

Q How about the Spencer 3 and State 2?

A No, sir.

Q This is the first time?



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A We are asking for that at the Hearing today.

MR. NUTTER: Mr. Irby, I believe that the casing, cementing program on it was submitted at an earlier hearing. The only difference in the injection now as compared to the previous case is that the well has been deepened below the Queen into the Grayburg formation. There has been no change in the cementing and casing program from the Queen on up, so I don't think this would affect the feasibility of using these wells as injection by deepening them to another horizon, insofar as pressure, water and casing are concerned. Now, the Spencer No. 3 and the State No. 2 on Exhibits 10 and 11 are new injection wells which are being heard for the first time.

A These could be conversions, and we feel like we have set up a program that is acceptable to the State Engineer; but the others, they are not new injection wells, they are to be converted.

MR. NUTTER: As far as being authorized for conversion, they have come up now for the first time.

A Correct.

MR. IRBY: Which of these Exhibits -- None of them are numbered, which is which?

MR. NUTTER: It's the last two Exhibits, if they are in proper order, Frank. They are the schematic diagrams of the wells completion programs. The Spencer No. 3 is Exhibit 10.



And that State No. 2 is Exhibit No. 11.

A Let me say this: That the first three wells, the Brainard "8-W" and the Spencer "12-W" and the State "18-W" have not been completed. We drilled through the Queen, set the pipe in the Grayburg and drilled into the Grayburg and then we plugged back to below the Queen, and that is the way the wells are standing right now. They have not been completed in either zone. The Grayburg is presently cemented off waiting on orders from this Hearing.

MR. NUTTER: Mr. Irby, would you withdraw your objection to the granting of the Application in this case if we were to continue the case until a later time of the day and give you a chance to study these Exhibits and discuss the matter with representatives of R. C. Davoust Company?

MR. IRBY: I don't know how much time I am going to need, Mr. Nutter. I don't have any objection to going ahead with the Hearing. I won't withdraw my objection to the granting of the Application until I feel I understand this Case.

MR. NUTTER: That is the purpose of my suggesting the continuance until later in the day.

MR. DURRETT: If you can't --

MR. NUTTER: It would give you a chance to study these wells.

MR. IRBY: What I am objecting to in your suggestion



of "later today", I may need more time than that. I have other commitments today, tomorrow, and part of Friday.

MR. NUTTER: I see. Well, we will proceed with further cross-examination at this time, then.

Q (By Mr. Nutter) Mr. Fickert, the five wells that we have here on Exhibits 7 through 11 are all of the wells that will be used in the Grayburg; is that correct?

A As far as we know. Now, if we decide on further injection wells we will either ask for a Hearing or the Commission's approval, but as of right now, we feel this will take care of us.

Q On your Exhibit No. 3 in Case No. 3064, you have an area colored in green with the legend showing that the wells there are Grayburg producers; is there any Queen production in this green area?

A Yes, the State 15, which is shown as the Queen producer; this is just around --

Q That is the only Queen well?

A In that area. Now, the Spencer 5, 6, and 3, we believe are Queen productive and we will try to flood both zones at the same time on those leases.

Q Now, one of those will be an injection well No. 3?

A Yes.

Q And you will open up the Queen formation of 5 and 3 as



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producing zones?

A Yes, sir.

Q Now, do you plan to selectively inject -- that is, will there be any separation of the injection water into each of these two zones, or will it just run down the casing or tubing, as the case may be, and let it seek it's own formation?

A No. Initially, we will inject down the casing, and then we will run radio-active surveys and determine if we are giving the correct amounts into each zone; if not, we will set a tubing on a packer between these zones and selectively inject.

Q What about the two wells which are your initial injections being the Spencer 18-W and Spencer 3, how would you selectively inject there?

A Well, we have plans to either use the smaller tubing and then 2". We will come back and selectively inject into each but not down the casing in this case.

Q In no case would you go down the casing?

A In those two wells we wouldn't do that.

Q What is this packer set on these two wells. I notice that the Number 3 is at 2,130. What is the uppermost perforation in the Queen formation in that well?

A Well, we don't have those perforations yet but they will be perforated into the zones. The Spencer 3 will be somewhere between 2,146 and 2,188. We haven't exactly determined.



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We don't have any information on those wells --

Q Do you have any idea how far up the hole that sixty-six sacks of cement on the 7" pipe came?

A Probably 150 to 155 feet. We will set it 100 feet off the --

Q So, it is your estimate that the packer will be set down into the area covered by cement on the No. 3 well?

A Yes, sir.

Q Referring to the State No. 2 well, it shows your packer would be set at 2,480 feet and that this 7" pipe was cemented with one hundred sacks. In your opinion, how far did the cement come up?

A We feel it has come up at least 100 feet.

Q This well hasn't been a Queen injector well, has it?

A No, sir.

Q So, actually, you will be going up to a little bit of an open hole interval there?

A Yes, sir.

Q Twenty-five to --

A Yes, sir; now that's correct. In other words, we don't feel like there will be any Queen to open in this well.

Q And the packer will be set in the area covered by cement?

A Yes, sir.



Q Is there any particular plan for tubing in these wells, will it be plastic?

A It will be plastic lined tubing, new.

Q I see. Now, on your participation summary you are familiar in Case No. 3063 you gave credit to certain of these facts for Queen Reserves as well as Grayburg Reserves. In what manner were those reserves computed, and the participation factors determined?

A The Queen reserves and the Grayburg reserves were determined essentially by cumulative production. In the area of the Spencer 3, 5, and 6, we have estimated the barrels per acre foot recovery which we estimate we will receive under the water flooding.

Q Now, these reserves on Exhibit No. 4 in Case 3063 are as of 1-1-64?

A Yes, sir.

Q These are not primary reserves, they are secondary recovery reserves?

A Yes, sir. In one case they are some remaining primary --

Q In one case?

A The Spencer No. 1, I believe, has the remaining primary.

Q I see.

A But, essentially, they are approaching the economic



limit and they did not have a primary reserve remaining.

Q How long has actual injection been going on in the Queen formation in this area?

A Since March of 1960.

Q And it has all been to the north of this area, up in --

A Thirty-four.

Q -- Thirty-four, hasn't it?

A Yes, sir.

Q This is the first venture down into Section 3 South?

A Yes, sir.

Q Have you had any preliminary indication from the office of the Commissioners of Public Lands as to what that offices opinion of this Unit Area and Unit Agreement is?

A We are prepared to sit down with the Commissioner's Office and describe what we are planning on doing. In other words, they have, as far as the Unit Agreement, I think, they have some suggestions and we will try to enlighten them on what the production might be in the future and how to determine these reserves.

Q And you are aware that any order that the Commission ever enters in a Unit Area Case in which state lands are involved does not become effective until the Unit Agreement has been approved by the Commissioners of Public Lands?

A That's true.



MR. WATSON: The Unit Agreement so provides.

MR. NUTTER: It provides that the order will not be so applied?

MR. WATSON: Yes, sir.

MR. NUTTER: Are there any further questions of Mr. Fickert?

MR. DURRETT: I have a question.

CROSS EXAMINATION

BY MR. DURRETT:

Q I don't have copies of your Exhibits; have you furnished us with specific well locations for these wells? Are they any place in your Exhibits?

A Where they are located?

Q Footage locations.

A No, we haven't.

Q Would you please do that by letter or something?

A Yes, sir. We will take care of that by letter.

MR. DURRETT: That's all.

MR. NUTTER: Any further questions of Mr. Fickert? You may be excused.

MR. WATSON: If I may, for just a moment; I have not at this time offered the Exhibits in Case No. 3064.

REDIRECT EXAMINATION

BY MR. WATSON:



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Q Mr. Fickert, were Exhibits 1 through 11 in Case No. 3064 prepared either by you or under your direct supervision?

A Yes, sir.

MR. WATSON: We move the introduction of Exhibits 1 through 11 in Case No. 3064.

MR. FICKERT: We would like to enter two other Exhibits which we won't go into, but might be of value to you.

REXCROSS EXAMINATION

BY MR. NUTTER:

Q Are those the logs of the "12-W"?

A Yes, sir.

Q That well was drilled after being authorized of the previous Hearing?

A Yes, sir.

MR. NUTTER: We would like to have those logs.

MR. WATSON: Do you have them marked for identification?

(Whereupon, Applicant's Exhibits No. 12 and 13 were marked for identification.)

MR. FRICKERT: Exhibit 12 is a sonic gamma ray log on State or Spencer "12-W".

MR. WATSON: Exhibit 13?

MR. FRICKERT: The exhibit is a movable oil plot on Spencer "12-W".



MR. WATSON: Okay. We move the introduction of Exhibits 1 through 13 inclusive in Case 3064.

MR. NUTTER: Applicant's Exhibits 1 through 13 in Case 3064 are admitted into evidence.

(Whereupon, Applicant's Exhibits 1 through 13 admitted into evidence.)

MR. NUTTER: Do you have anything further Mr. Watson?

MR. WATSON: No, sir.

MR. NUTTER: Does anyone have anything to offer in Case 3064?

MRS. REAH: I am Mrs. Reah of the State Land Office. Mr. Watson brought the Unit Agreements in this morning. We have not had the opportunity to examine it. We are going to do that and he has agreed to make any changes we should require. We are in favor of the Unit Agreement if certain requirements are met with Mr. Irby's office and with yours.

MR. NUTTER: Thank you, Mrs. Reah.

MR. WATSON: We have agreed to sit down and go over it and make such changes as are recommended.

MR. NUTTER: Inasmuch as the office of the Commissioner of Public Lands and the office of the State Engineer have not had an opportunity to study the Unit Agreement as well as the extension of the water flood into another formation, we are going to continue this case until July 1 and we hope that all



of these cases will be ironed out with all agencies and there will not be any necessity for any further discussion of the case. However, if everything hasn't been ironed out, we will recall the case and take further testimony or evidence on July 1st.

MR. WATSON: All right, sir, thank you.

MR. NUTTER: So, Case 3063 and Case 3064 are continued to July 1st at 9:00 o'clock A. M. But, as soon as I have had an opportunity to go over this, I want to prepare a letter to you and a copy to Mr. Watson.

If we have a letter from the Commissioner's Office and from the State Engineer's Office and they have a letter in their file, it won't even be necessary for them to come to the Hearing. If everything hasn't been ironed out, we will just start over again.

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I N D E X

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WITNESS:

WILLIAM E. FICKERT

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E X H I B I T S

Number

Marked for
Identification

Offered

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

I, CHARLES WALKER, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing 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 *14th* day of *August*, 1964.

Charles Floyd Walker
 NOTARY PUBLIC

My Commission Expires:
 March 25, 1968.

~~He~~ hereby certify that the foregoing is
 a complete record of the proceedings in
 the Examiner hearing of Case No. *3063-3064*
 heard by me on *June 10*, 1964.
Examiner, Examiner
 New Mexico Oil Conservation Commission

DEARNLEY-MEIER REPORTING SERVICE, Inc.

ALBUQUERQUE, N. M.
 PHONE 243-6691



NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARINGSANTA FE, NEW MEXICOREGISTERHEARING DATE JUNE 10, 1964 TIME: 9 A.M.

NAME:	REPRESENTING:	LOCATION:
<i>Henry W. Selinger</i>	<i>Skelly</i>	<i>Dulsa</i>
<i>Richard A. Mercurio</i>	<i>Thumsee</i>	<i>Durango, Colo.</i>
<i>John F. Russell</i>	<i>Newmont Oil Co.</i>	<i>Roswell, N.M.</i>
<i>Fred A. Watson</i>	<i>R. C. Davant Co.</i>	<i>Artesia, N.M.</i>
<i>William E. Fickert</i>	<i>"</i>	<i>Midland, Texas</i>
<i>Derry Hemmery</i>	<i>"</i>	<i>Evansville, Indiana</i>
<i>L. E. Thomas</i>	<i>Amerada</i>	<i>Hobbs</i>
<i>Orvall Schmidt</i>	<i>"</i>	<i>monument</i>
<i>Bill Kasler</i>	<i>Gulf</i>	<i>Roswell</i>
<i>DON BILBREY</i>	<i>GULF</i>	<i>ROSWELL</i>
<i>B. Boles</i>	<i>Gulf</i>	<i>Roswell</i>
<i>P. J. Mc Gath</i>	<i>U. S. G. S.</i>	<i>Farmington</i>
<i>Jason Kellahin</i>	<i>Kellahin & Son</i>	<i>Santa Fe</i>
<i>A. Lopez</i>	<i>Lopez & Stewart</i>	<i>Artesia</i>
<i>P. B. Kennedy</i>	<i>Kennedy, Oil Co.</i>	<i>artesia</i>
<i>H. L. Carter</i>	<i>O. C. C.</i>	<i>Santa Fe</i>
<i>William M. Huffst</i>	<i>Continental Oil Co.</i>	<i>Denver</i>

NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARING

SANTA FE, NEW MEXICO

REGISTERHEARING DATE JUNE 10, 1964 TIME: 9 A.M.

NAME:	REPRESENTING:	LOCATION:
<i>Fred Van Matre</i>	<i>Continental Oil Co</i>	<i>Durango, Colo.</i>
<i>H. E. Ellis</i>	<i>" " "</i>	<i>" "</i>
<i>Ed Voorhees</i>	<i>" " "</i>	<i>" "</i>
<i>Charles Chapman</i>	<i>Newmont Oil</i>	<i>Houston, Tex.</i>
<i>Charlie Sully</i>	<i>" "</i>	<i>" "</i>
<i>Marshall Smith</i>	<i>R. W. Byram</i>	<i>Santa Fe</i>