

CASE 3070: Application of NEARBURG
& INGRAM & KINCAID & WATSON DRUG
CO. for a waterflood project.

CASE No.

3070

Application,
TRANSCRIPTS,
SMALL Exhibits
ETC.

acc file

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

July 8, 1964

C
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Mr. John Russell
Attorney at Law
Post Office Drawer 640
Roswell, New Mexico

Dear Sir:

Enclosed herewith is Commission Order No. R-2737, entered in Case No. 3070, approving the Nearburg & Ingram Drewery Square Lake Waterflood Project and the Kincaid & Watson Wright Square Lake Waterflood Project. Injection in all wells in both projects is to be through tubing and packers. The packer in the Nearburg & Ingram Drewery Well No. 2 shall be set at 2500 feet and the packers in the Kincaid & Watson Wright Wells Nos. 2 and 5 at 2570 feet and 2595 feet respectively.

As to allowables, our calculations indicate that when all of the authorized injection wells have been placed on active injection, the maximum allowable which the Nearburg & Ingram project will be eligible to receive under the provisions of Rule 701-E-3 is 126 barrels per day, and the maximum which the Kincaid & Watson project will be eligible to receive is 252 barrels per day.

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

In order that the allowable assigned to each project may be kept current, and in order that the operator may fully benefit from the allowable provisions of Rule 701, it behooves him to promptly notify both of the aforementioned Commission offices by letter of any change in the status of wells in the project area, i. e., when

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

-2-

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

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active injection commences, when additional injection or producing wells are drilled, when additional wells are acquired through purchase or unitization, when wells have received a response to water injection, etc.

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

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/lr

cc: Oil Conservation Commission
Artesia, New Mexico

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



Case 3070

MAIN OFFICE 404

STATE OF NEW MEXICO

STATE ENGINEER OFFICE 1964 JUN 15 AM 7 44

SANTA FE

S. E. REYNOLDS
STATE ENGINEER

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

June 15, 1964

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

Dear Mr. Porter:

Reference is made to the application of Nearburg & Ingram and Kincaid & Watson Drilling Company which seeks authority to commence a water flood project in the Square Lake pool of Eddy County by injection of water into the Grayburg Sands through three wells. If the wells are constructed and equipped in the manner shown on Exhibit B (three diagrammatic sketches), it appears that no threat of contamination to the fresh waters which exist in the area will occur. Therefore, this office offers no objection to the granting of the application.

Very truly yours,

S. E. Reynolds
State Engineer

FEI/ma
cc-John F. Russell

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

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 3038: (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 L 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.

Case 3070

Read 7-1-64

Rec. 7-1-64

1. Grant Meabury + Ingram + ~~Watson~~
+ ~~Kincaid~~ Kincaid + Watson the Water
flood requested for the E/2 NE/4 sec 1
17S-29E and N/2 and E/2 SW/4 sec. 6, 17S-30E
2. Grant permission to inject water into
the Grayburg sections of the following
wells.

Meabury + Ingram - Sewing #2-1650/N, 1980W sec. 6
17S-30E

Kincaid + Watson - Wright Fed #2, 660/N-607/W sec 6.
17S-30E

Kincaid + Watson - Wright Fed #5, 659/N, 1940/E sec 6.
17S-30E.

- Letter* 3. Injection shall be thru tubing and
below a packer which is set below
the top of the cement on the Prod.
string.

Thos. W. J.

P.S. Subject to Rule 701 + usual
Admin procedure for Injection wells

State of New Mexico
Oil Conservation Commission

P. O. BOX 2088
SANTA FE

Injection in ^{all wells in} both projects is to be through tubing and packers. The packer in the Harburg & Ingram Drivewy Well No. 2 shall be set at 2500 feet and the packers in the Kincaid & Watson Wright ~~Wells~~ Nos. 2 and 5 at 2570 feet and 2595 feet, respectively.

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

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Enclosed herewith is Commission Order No. R- 2737, entered in Case No. 3070, approving the Nearburg & Ingram Brewery Water Flood Project and the Kincaid and Watson Wright Square Lake Water Flood Project. According to our calculations, our calculations indicate that wells have been placed on active injection, the maximum allowable which this project will be eligible to receive under the provisions of Rule 701-E-3 is 126 barrels per day, and the maximum which the Kincaid & Watson project will be eligible to receive is 252 barrels per day. Please report any error in these calculated maximum allowables immediately, both to the Santa Fe office of the Commission and the appropriate District proration office.

In order that

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

Your cooperation in keeping the Commission of the project and the

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

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

cc: OCC - Artesia
Frank Irby

**BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO**

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

CASE No. 3070
Order No. R-2737

**APPLICATION OF NEARBURG & INGRAM
AND KINCAID & WATSON DRILLING COM-
PANY FOR A WATERFLOOD PROJECT, 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, Nearburg & Ingram, seeks permission to institute a waterflood project in the Square Lake Pool by the injection of water into the Grayburg formation through one injection well in Section 6, Township 17 South, Range 30 East, NMPM, Eddy County, New Mexico.

(3) That the applicant, Kincaid & Watson Drilling Company, seeks permission to institute a waterflood project in the Square Lake Pool by the injection of water into the Grayburg formation through two injection wells in Section 6, Township 17 South, Range 30 East, NMPM, Eddy County, New Mexico.

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CASE No. 3070

Order No. R-2737

(4) That the wells in both project areas are in an advanced state of depletion and should properly be classified as "stripper" wells.

(5) That the proposed waterflood projects should result in the recovery of otherwise unrecoverable oil, thereby preventing waste.

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

IT IS THEREFORE ORDERED:

(1) That the applicant, Nearburg & Ingram, is hereby authorized to institute a waterflood project in the Square Lake Pool by the injection of water into the Grayburg formation through the following-described well in Section 6, Township 17 South, Range 30 East, NMPM, Eddy County, New Mexico:

Nearburg & Ingram-Drewery Well No. 2, located
1650 feet from the North line and 1980 feet
from the West line.

(2) That the applicant, Kincaid & Watson Drilling Company, is hereby authorized to institute a waterflood project in the Square Lake Pool by the injection of water into the Grayburg formation through the following-described wells in Section 6, Township 17 South, Range 30 East, NMPM, Eddy County, New Mexico:

Kincaid & Watson-Wright Federal Well No. 2,
located 660 feet from the North line and
607 feet from the West line.

Kincaid & Watson-Wright Federal Well No. 5,
located 659 feet from the North line and
1940 feet from the East line.

(3) That the subject waterflood projects shall be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

(4) That monthly progress reports of the waterflood projects herein authorized shall be submitted to the Commission in

-3-

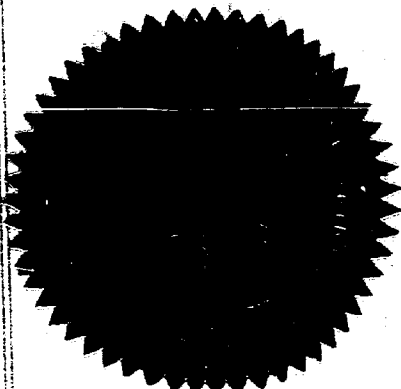
CASE No. 3070
Order No. R-2737

accordance with Rules 704 and 1119 of the Commission Rules and Regulations.

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

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


Jack M. Campbell
JACK M. CAMPBELL, Chairman

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

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

esr/

DRAFT

JMD/esr

July 6, 1964

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. *2 cards:*
Nearburg & Ingram
Drainage Water Flood
Project - Square Lake
Kincaid & Watson
Wright 59 Pool

CASE No. 3070

Order No. R-*2737*

APPLICATION OF NEARBURG & INGRAM
AND KINCAID & WATSON DRILLING COM-
PANY FOR A WATERFLOOD PROJECT, EDDY
COUNTY, NEW MEXICO.

See
Special
Letter

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, Nearburg & Ingram, seeks permission
to institute a waterflood project in the Square Lake Pool by the
injection of water into the Grayburg formation through one injec-
tion well in Section 6, Township 17 South, Range 30 East, NMPM,
Eddy County, New Mexico.

(3) That the applicant, Kincaid & Watson Drilling Company,
seeks permission to institute a waterflood project in the Square
Lake Pool by the injection of water into the Grayburg formation

through two injection wells in Section 6, Township 17 South, Range 30 East, NMPM, Eddy County, New Mexico.

(4) That the wells in both project areas are in an advanced state of depletion and should properly be classified as "stripper" wells.

(5) That the proposed waterflood projects should result in the recovery of otherwise unrecoverable oil, thereby preventing waste.

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

IT IS THEREFORE ORDERED:

(1) That the applicant, Nearburg & Ingram, is hereby authorized to institute a waterflood project in the Square Lake Pool by the injection of water into the Grayburg formation through the following-described well in Section 6, Township 17 South, Range 30 East, NMPM, Eddy County, New Mexico:

Nearburg & Ingram-Drewery Well No. 2, located 1650 feet from the North line and 1980 feet from the West line.

(2) That the applicant, Kincaid & Watson Drilling Company, is hereby authorized to institute a waterflood project in the Square Lake Pool by the injection of water into the Grayburg formation through the following-described wells in Section 6, Township 17 South, Range 30 East, NMPM, Eddy County, New Mexico:

Kincaid & Watson-Wright Federal Well No. 2, located 660 feet from the North line and 607 feet from the West line.

Kincaid & Watson Wright Federal Well No. 5, located 659 feet from the North line and 1940 feet from the East line.

(3) That the subject waterflood projects shall be governed

by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

(4) That monthly progress reports of the waterflood projects herein authorized shall be submitted to the Commission in accordance with Rules 704 and ~~1120~~¹¹¹⁹ of the Commission Rules and Regulations.

(5) 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.

222 SOUTH FOURTH ST.

TELEPHONE 242-2571

CAPROCK WATER COMPANY

P. O. BOX 807

ARTESIA, NEW MEXICO

JUNE 10, 1964

RECEIVED JUN 11 1964

MR. TOM L. INGRAM
100 SOUTH KENTUCKY
ROSWELL, NEW MEXICO

THANK YOU FOR YOUR LETTER OF JUNE 9, 1964 REGARDING A WATER ANALYSIS FOR THE TEXACO SQUARE LAKE UNIT 31 FLOOD. WE ARE HEREWITH ENCLOSING THIS WATER ANALYSIS.

WE ARE SUPPLYING THE SQUARE LAKE UNIT FROM FOUR WATER WELLS LOCATED IN SECTION 2, T, 17 S, R 28 E.

WE TRUST THAT THIS IS THE INFORMATION YOU NEED AND IF WE MAY BE OF FURTHER SERVICE TO YOU PLEASE ADVISE.

YOURS VERY TRULY


ROY ELLIOTT

Treat-Rite Water Laboratories, Inc.
BOX 1468 MONAHANS, TEXAS

RESULT OF WATER ANALYSES

TO: Mr. R. D. Grady LABORATORY NO. 10000
203 Oil & Gas Building, Midland, Texas SAMPLE RECEIVED 4-9-64
 RESULTS REPORTED 4-15-64

COMPANY Seagrack Water Company LEASE East Red Lake Supply System
 FIELD OR POOL East Red Lake

SECTION _____ BLOCK _____ SURVEY _____ COUNTY Eddy STATE N. M.

SOURCE OF SAMPLE AND DATE TAKEN:
 NO. 1 Raw water - taken from Well R. Salrich, Ltd's raw water line. 4-9-64
 NO. 2 _____
 NO. 3 _____
 NO. 4 _____

REMARKS: _____

CHEMICAL AND PHYSICAL PROPERTIES				
	NO. 1	NO. 2	NO. 3	NO. 4
Specific Gravity at 60 deg. F.	1.0004			
pH When Sampled	7.5			
pH When Received	7.5			
Total Acidity as CaCO ₃	124			
Carbonate as CaCO ₃	3			
Uncombined as CaCO ₃	0			
Total Alkalinity as CaCO ₃	2,536			
Calcium as CaCO ₃	1,281			
Magnesium as CaCO ₃	655			
Sodium and/or Potassium				
Sulfate as SO ₄	1,934			
Chloride as NaCl	2,472			
Silica as SiO ₂	12.9			
Iron as Fe	0.24			
Manganese as Mn				
Barium as Ba	0.0			
Turbidity Electric	0.64			
Color as Pt	2.6			
Dissolved Solids at 180 deg. C				
Total Solids at 180 deg. C				
Total Solids, Calculated				
Temperature Degs. F.	43			
Carbon Dioxide, Calculated	0			
Dissolved Oxygen, Winkler	3.5			
Hydrogen Sulfide	0.0			
Residual Chlorine	0.0			
Resistivity OHMS/CC at 60 Degs. F.	175			
Total Suspended Solids				

All Results Reported As Parts Per Million

Additional Determinations And Remarks: The above results are considered very favorable indication of the continued satisfactory chemical and physical properties of the water in this supply line. We have been unable to acquire satisfactory samples on the General American or International leases. We have, therefore, utilized the Salrich raw water line on this trip.

1964 JUN 4 3 71 PM

June 3, 1964

Mr. John F. Russell
Attorney at Law
P. O. Drawer 640
Roswell, New Mexico

Dear Mr. Russell:

Reference is made to the application of your clients Nearburg & Ingram and Kincaid & Watson seeking Oil Conservation Commission approval to water flood the Grayburg Sands in the Square Lake Pool of Eddy County. The application and each of the three diagrammatic sketches state that water for injection will be obtained from the Texas Company. The sketches show that the water will be fresh.

My information indicates that the water for the Texaco flood is obtained from Caprock Water Co. and is coming from a well west of their Square Lake 31 Unit which produces water of low chemical quality. If you can give me the location of the source water well and an analysis of the water, I think I can give you a waiver on the application.

Best personal regards.

Very truly yours,

S. E. Reynolds
State Engineer

By:

Frank E. Irby
Chief
Water Rights Division

FEI:cl

cc: Mr. A. L. Porter

C
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66-3070

LAW OFFICES OF
JOHN F. RUSSELL
SUITE 1010 SECURITY NATIONAL BANK BUILDING
P. O. DRAWER 640
ROSWELL, NEW MEXICO

MAIN OFFICE OCC

TELEPHONE 522-4841
AREA CODE 505

1964 JUN 16 AM 7:59

June 12, 1964

Mr. Frank Irby
Office of State Engineer
State Capitol
Santa Fe, New Mexico 87501

RE: Application of Nearburg & Ingram
and Kincaid & Watson for a water-
flood project in Square Lake

Dear Frank:

Pursuant to your recent request, I transmit
herewith for your files two copies of the water analysis
of the water to be used in this project, accompanied by
a letter showing the location of the wells from which
this water will be supplied.

Very truly yours,

John F. Russell

JFR:np

Enclosure

cc: Oil Conservation Commission - w/enclosure
Box 2088
Santa Fe, New Mexico 87501

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LAW OFFICES OF
JOHN F. RUSSELL
SUITE 1010 SECURITY NATIONAL BANK BUILDING
P O DRAWER 640
ROSWELL, NEW MEXICO 88201

Can 3070

OFFICE 600
TELEPHONE 622-4641
AREA CODE 505

1964 MAY 25 AM 8:02

May 25, 1964

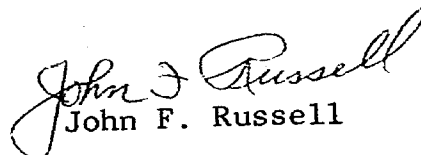
Mr. A. L. Porter
Secretary-Director
Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Dear Mr. Porter:

Pursuant to my telephone conversation of this date with Mr. Nutter, I transmit herewith a corrected page one of the joint application of Nearburg & Ingram and Kincaid & Watson.

It will be appreciated if this corrected page is substituted for the one originally forwarded to you.

Very truly yours,


John F. Russell

JFR:np
Enclosure

cc: Mr. S. E. Reynolds, State Engineer w/enclosure
Kincaid & Watson w/enclosure
Nearburg & Ingram w/enclosure

11-1
LAW OFFICES OF
JOHN F. RUSSELL
SUITE 1010 SECURITY NATIONAL BANK BUILDING
P. O. DRAWER 640
ROSWELL, NEW MEXICO 88201

622-3070
TELEPHONE 622-4641
AREA CODE 505

May 21, 1964

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

Dear Mr. Porter:

I transmit herewith in triplicate the joint application of Nearburg & Ingram and Kincaid & Watson Drilling Company for approval of a waterflood project in the Square Lake Pool of Eddy County, New Mexico.

Very truly yours,

John F. Russell
John F. Russell

JFR:np

Enclosures

62-3070

LAW OFFICES OF
JOHN F. RUSSELL
SUITE 1010 SECURITY NATIONAL BANK BUILDING
P. O. DRAWER 640
ROSWELL, NEW MEXICO

TELEPHONE 622-4641
AREA CODE 505

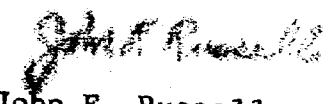
May 21, 1964

Mr. S. E. Reynolds
State Engineer
State Capitol
Santa Fe, New Mexico 87501

Dear Mr. Reynolds:

I transmit herewith a copy of the joint application of Nearburg & Ingram and Kincaid & Watson Drilling Company for approval of a waterflood project in the Square Lake Pool of Eddy County, New Mexico.

Very truly yours,


John F. Russell

JFR:np

Enclosure

cc: Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

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BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

IN THE MATTER OF THE JOINT APPLICATION)
OF NEARBURG & INGRAM AND KINCAID & WATSON)
DRILLING COMPANY FOR AN ORDER AUTHORIZING)
THEM TO COMMENCE A WATERFLOOD PROJECT CON-)
SISTING OF THE E $\frac{1}{2}$ NE $\frac{1}{4}$ OF SECTION 1, TOWN-)
SHIP 17 SOUTH, RANGE 29 EAST, AND THE N $\frac{1}{2}$)
AND E $\frac{1}{2}$ SW $\frac{1}{4}$ OF SECTION 6, TOWNSHIP 17 SOUTH,)
RANGE 30 EAST, IN THE SQUARE LAKE POOL OF)
EDDY COUNTY BY THE INJECTION OF WATER INTO)
THE GRAYBURG SANDS THROUGH THREE WELLS)
LOCATED IN SECTION 6, TOWNSHIP 17 SOUTH,)
RANGE 30 EAST, EDDY COUNTY, NEW MEXICO.)

Case No. 3070

APPLICATION

COME NOW Applicants, Nearburg & Ingram and Kincaid & Watson Drilling Company, by their attorney, John F. Russell, and state:

1. They are the operators of the oil and gas leases covering the E $\frac{1}{2}$ NE $\frac{1}{4}$ of Section 1, Township 17 South, Range 29 East, and the N $\frac{1}{2}$ and E $\frac{1}{2}$ SW $\frac{1}{4}$ of Section 6, Township 17 South, Range 30 East, Eddy County, New Mexico.

2. They propose to institute a waterflood project for the secondary recovery of oil on said tracts and attach hereto a plat, marked Exhibit "A", showing the location of the three proposed injection wells and the location of all other wells within a radius of two miles from the said injection wells.

3. Applicants, at the hearing, will present the logs covering the injection wells.

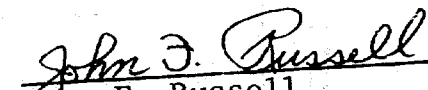
4. Diagrammatic sketches of the proposed injection wells are attached hereto and marked Exhibit "B".

5. They propose to operate their properties individually and to inject water into the Grayburg Sands at an estimated volume of approximately 150 barrels of water per day per well. Water for injection purposes will be obtained from The Texas Company.

6. Pursuant to Memorandum No. 5-58, they have furnished a copy of this Application and Exhibits thereto to the State Engineer.

WHEREFORE, Applicants request the Commission to set this matter down for hearing before an examiner, to publish its notice as provided by law and, after hearing, to issue its order authorizing the waterflood project as requested in the Application.

Respectfully submitted,


John F. Russell
Attorney for Applicants
P. O. Drawer 640
Roswell, New Mexico 88201

DATED: May 21, 1964

DOCKET MAILED

Date 6-17-64


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

EXAMINER HEARING

DEARNLEY-MEIER REPORTING SERVICE, Inc.

FARMINGTON, N. M.
PHONE 325-1182

SANTA FE, N. M.
PHONE 963-3971

ALBUQUERQUE, N. M.
PHONE 243-6691

IN THE MATTER OF: 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 No. 3970

BEFORE: Elvis A. Utz, Examiner

TRANSCRIPT OF HEARING



MR. UTZ: The next case on the docket is Case 3070.

MR. DURRETT: Application of Nearburg & Ingram and Kincaid & Watson Drilling Company for a waterflood project, Eddy County, New Mexico.

(Whereupon, Applicant's Exhibits 1 through 7, were marked for identification.)

MR. RUSSELL: John F. Russell, Roswell, New Mexico, representing the applicants. I have one witness, Mr. Ingram.

(Witness sworn.)

TOM L. INGRAM, called as a witness, having been first duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. RUSSELL:

Q Will you please state your name and where you live and by whom you are employed, in what capacity?

A Tom L. Ingram, Roswell, New Mexico, partner and geological engineer with Nearburg and Ingram.

Q You have previously qualified to testify before the Commission, have you not?

A I have.

Q Are you familiar with the joint application filed in Case Number 3070?

A I am.

Q What do you seek by this application?



A Nearburg and Ingram and Kincaid and Watson Drilling Company, as operators of oil and gas leases in the Square Lake Pool, seek to institute a waterflood project for the secondary recovery of oil and convert presently producing oil wells to injection wells.

Q I'll refer to what has been marked for identification as Exhibit Number 1 and ask you to state what that shows.

A Exhibit Number 1 shows the location of the acreage that we are requesting permission on, which consists of the east half of the northeast quarter of Section 1, Township 17 South, Range 29 East; the north half and the east half of the southwest quarter of Section 6, of Township 17 South, Range 30 east. On this the acreage colored in green is the acreage that we are referring to.

The red circles drawn around the three wells are the wells that we propose to convert to injection wells. The acreage immediately to the north in Section 31 is presently under flood by Texas Company, Incorporated. The acreage in Section 36 to the northwest is presently under flood by N. E. Salsich. The symbol, the diagonal line with the little arrowhead on either end represents the injection wells. The pattern that we propose will follow the standard pattern as established by the other two operators.

Q This plat also shows the wells and leases within two miles



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of your proposed injection wells, does it not?

A Right, it does.

Q All wells within that radius are producing from the same formation?

A All wells within the radius of two miles of the proposed injection wells are producing from the Grayburg-San Andres.

Q Will you explain what acreage within the proposed area that Nearburg and Ingram own the operating rights?

A Nearburg and Ingram operate the east half of the west half of Section 6, Township 17 South, Range 30 East. The balance shown in green being the northeast quarter, the west half of the northwest quarter, of Section 6, 17, 30; and the east half of the northeast quarter of 1, 17, 29, operated by Kincaid and Watson.

Q Do each of you propose to operate separately?

A Right; each operator will operate his leases independently. Actually we have made arrangements with the Texas Company to sell pressured water to the two operators.

Q They in turn get their water from the Caprock Water Company, do they not?

A Right.

Q And the flood of Texas Company which is to the north of the proposed one was authorized by the Commission in Case 2940, previously, was it not?

A Right, under Order R-2609.



Q I will refer you to Exhibits 2, 3 and 4 and ask you what they are?

A Exhibits 2, 3 and 4 are the gamma ray neutron logs of the proposed injection wells. The Exhibit Number 2 is the Nearburg and Ingram No. 2 Brewery, located in the southeast quarter of Section 6; Exhibit Number 3, Kincaid and Watson No. 2 Wright Federal located in the northwest quarter of the northeast quarter of Section 6, and the Kincaid and Watson No. 5 Wright Federal located in the northwest quarter of the northeast quarter of Section 6.

Q Is there anything in connection with Exhibits 2, 3 or 4 that you would like to call to the Examiner's attention at this time?

A On Exhibit 2 the geological formations have been indicated and also the producing perforations, or rather in this case the perforations that we propose to inject the water into.

Q Otherwise they're self-explanatory, are they not?

A Yes, sir; they are just the normal gamma ray neutron log.

Q Now, referring to Exhibits 5, 6 and 7, will you identify them?

A Exhibits 5, 6 and 7 are diagramatic sketches of the well bore in each of the three injection wells, showing the casing, the cement, the tops of the cement, the perforations, plug-back depth and any other pertinent data.

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A Exhibit Number 5 is the No. 2 Drewery, Nearburg and Ingram being the operator. The Exhibit Number 6, Kincaid and Watson No. 2 Wright Federal. Exhibit 7 the Kincaid and Watson No. 5 Wright Federal.

Q Do you propose to inject in the same intervals in each one of those three wells? If not, which well will have different intervals?

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Now, there are three perforations in the Nearburg and Ingram No. 2 Drewery; there are six sets of perforations in the Kincaid and Watson No. 2 Wright Federal, and there are five sets of perforations in the Kincaid and Watson No. 5 Wright Federal. Even though there are different numbers of perforations, they cover generally the same productive sands. There has been one stringer in the Kincaid and Watson No. 5 Wright Federal that is perforated which was not productive in the other two wells.

Q A copy of the application and all of the exhibits have been previously furnished to the State Engineer, have they not?

A They have.

Q And you have also furnished them with an analysis of the water to be injected?

A We have. We have also notified the United States Geological Survey of our intentions since these are Federal leases.



Q What is the stage of the producing wells on each of these leases?

A These wells have reached the stripper status.

Q What is the approximate average production per well per day?

A The production has been around two to three barrels per day.

Q In your opinion will the granting of this application result in the recovery of oil which would otherwise be lost, and also protect correlative rights of your area in connection with the flood to the north?

A Yes. We feel that it will, that by injecting water we should be able to recover at least an additional 50 percent more oil.

Q You ask the Commission to retain jurisdiction of this case in order to add additional injection wells under the provisions of Rule 701 as the same may be required?

A We do.

Q What will be the rate of injection?

A The injection rate that we propose initially will be 150 barrels of water per well per day.

Q And will that also be the maximum rate of injection, as far as you know?

A It is possible that during the early stages when the



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MR. RUSSELL: I would like to move the introduction of Applicant's Exhibits 1 through 7, inclusive.

MR. UTZ: Without objection Applicant's Exhibits 1 through 7 will be entered into the record of this case.

(Whereupon, Applicant's Exhibits 1 through 7 were admitted in evidence.)

MR. RUSSELL: I have no further questions of this witness.

MR. UTZ: All of these wells will be injected through tubing and under a packer, is that correct?

A Yes, sir.

MR. UTZ: And with the packer set below the known top of the cement on the production string?

A Yes, the packer, I believe, is a minimum of 400 feet below the top of the cement in one well and a maximum of about seven to eight hundred feet below the top of the cement?

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

MR. DURRETT: Yes, sir, I have a question.

CROSS EXAMINATION

BY MR. DURRETT:

Q Mr. Ingram, have you received any response from the flood to the north, or the flood to the northwest in your area?

A No, we have not. The Texas Company flood commenced



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May the 9th of this year. Only approximately 27,000 barrels of water have been injected into it. We have felt no response from the Salsich flood as the Number 6 well in the extreme southeast corner was just completed as an injection well within the last 60 to 90 days.

Q I would expect that you would expect a response in the near future?

A Yes, Salsich has been receiving responses up in Section 36, and we feel that we have similar conditions in our area.

Q Will you run over this area with me again, as to which area will be operated by which operator? My recollection is that Nearburg and Ingram will operate the east half of the west half of Section 6.

A That's correct.

Q And that's all of your acreage now, is that correct?

A Right.

Q And then Kincaid and Watson will operate the rest of your area in green, and to go over the description is it the east half of the northeast quarter of Section 1?

A East half of the northeast quarter.

Q That's all of Section 1 that they'll operate?

A Right.

Q On Section 6, the west half of the northwest, and the entire northeast quarter?



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A That is correct.

Q One other question; if the Commission would desire to issue two separate orders in this case, in other words, authorizing the flood for each party, you would have no objection to that?

A No objection.

BY MR. UTZ:

Q Have you received any correspondence from the State Engineer since June 12th, which is the date of Mr. Russell's letter wherein he sends the water analyses and the location of the water source wells?

A The operator has not.

MR. RUSSELL: Just verbal, as I recall, from Mr. Irby. I believe his prior letter stated that as soon as he got the water analyses he would have no further objection, which has been furnished to him by my letter in June.

MR. UTZ: Are there any further questions of the witness? The witness may be excused.

(Witness excused.)

MR. UTZ: Any further statements in this case? The case will be taken under advisement.



DEARNLEY-MEIER REPORTING SERVICE, Inc.

ALBUQUERQUE, N. M.
PHONE 243-6691

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

I, ADA DEARNLEY, Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission Examiner at Santa Fe, New Mexico, is a true and correct record to the best of my knowledge, skill and ability.

IN WITNESS WHEREOF I have affixed my hand and notarial seal this 7th day of July, 1964.

Ada Dearnley
Notary Public - Court Reporter

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. 3020, heard by me on July 1, 1964.

Shirley R. [Signature] Examiner
New Mexico Oil Conservation Commission

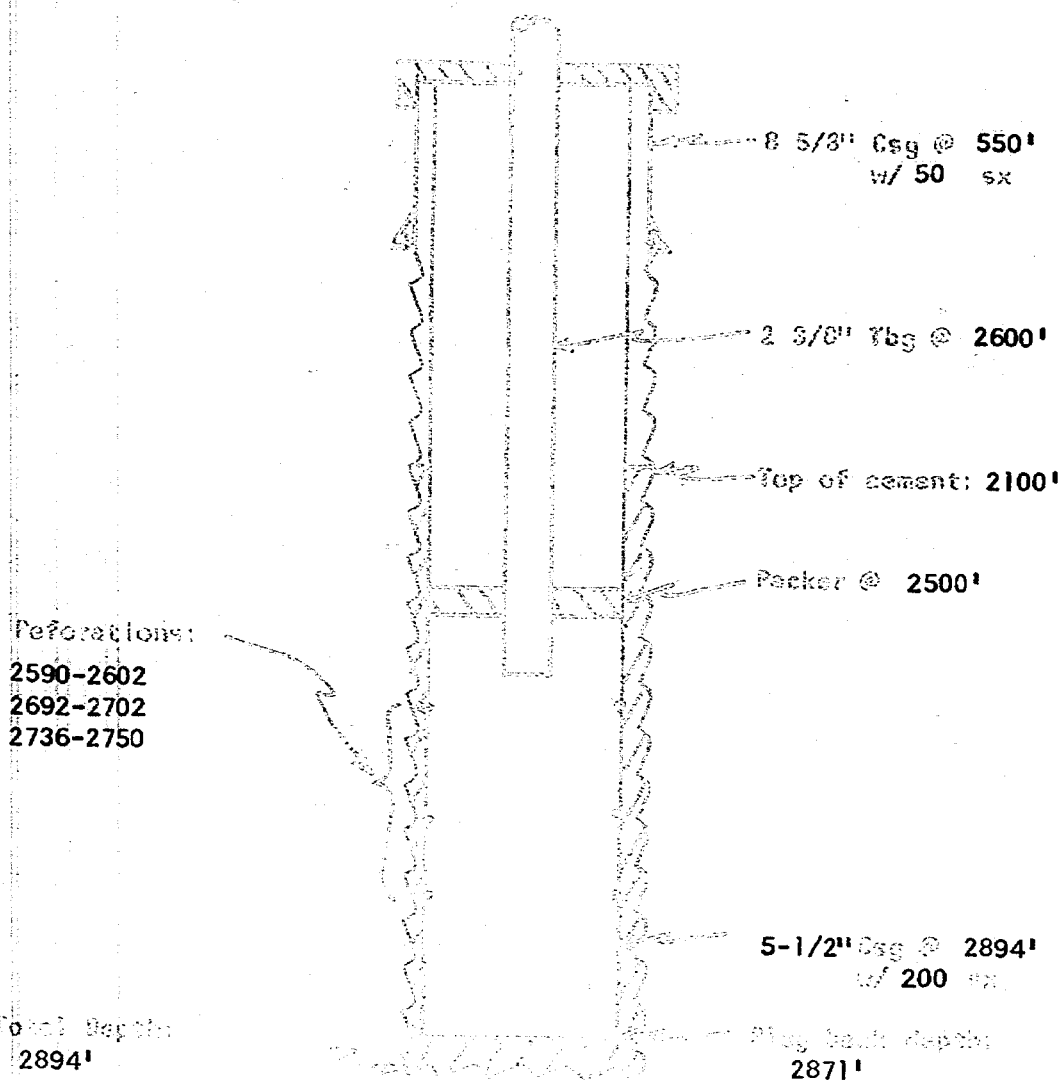


BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION
 EXHIBIT NO. 5
 CASE NO. 3070

Proposed Injection Well
 Square Lake Field
 Eddy County, New Mexico

Well: Nearburg & Ingram No. 2 Drewery

Location: 1650' FNL & 1980' FWL Sec. 6, T-17-S, R-30-E



WELL LOG:

Type: Fresh water
 Section: Gage Canyon
 Wellhead: 20' high, 10' wide, 10' deep
 Perforations: 2590-2750'

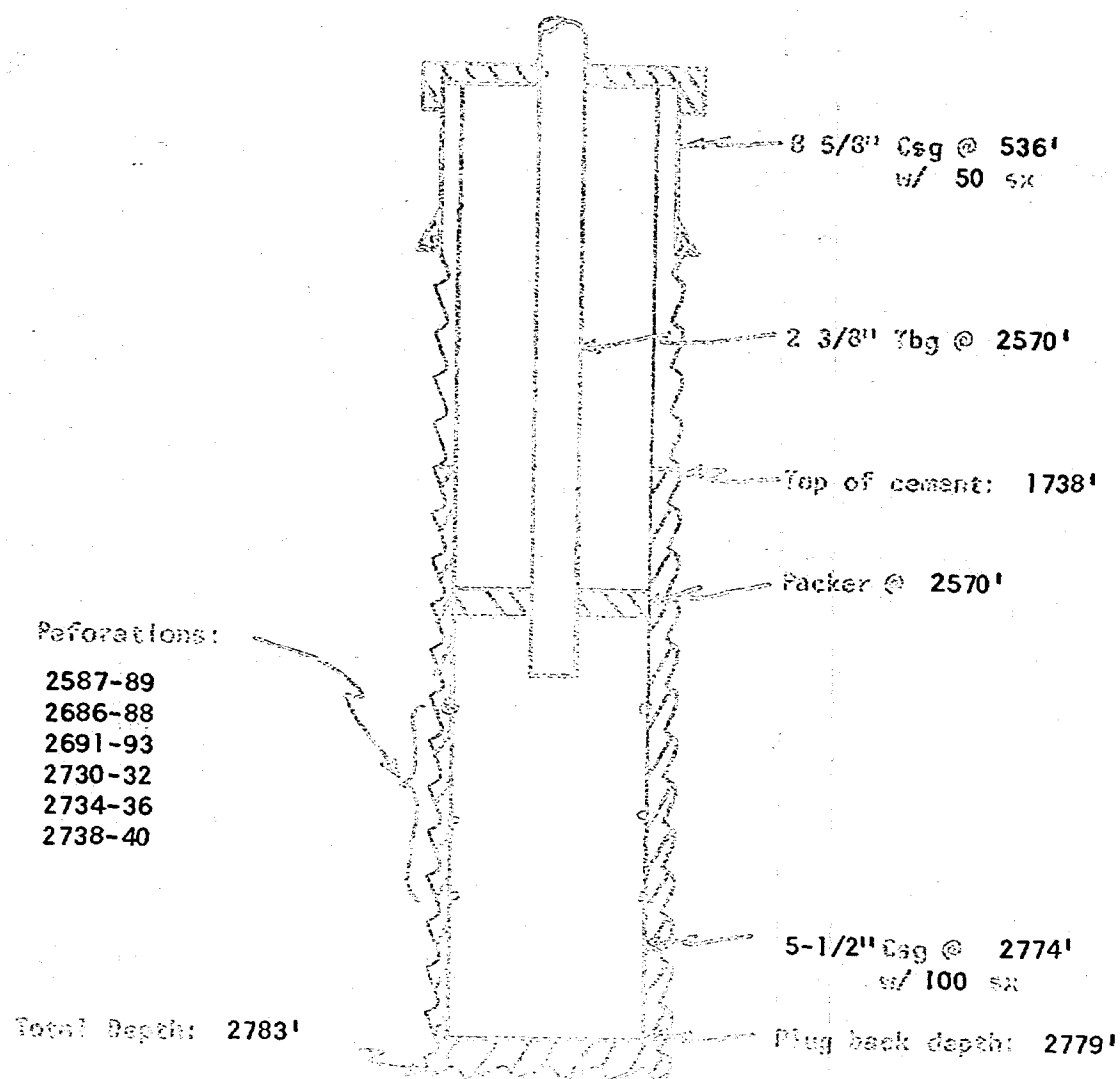
6
**BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION**

EXHIBIT NO. 6
CASE NO. 3070

Proposed Injection Well
Square Lake Field
Eddy County, New Mexico

Well: Kincaid & Watson Drilling Co. No. 2 Wright Federal

Location: 660' FNL & 607' FWL Sec. 6, T-17-S, R-30-E



INJECTED FLUID:

Type: Fresh water
Source: Texas Company
Estimated Volume: 100 barrels of water per day (in well)
Formation: Grayberg sands

BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION
EXHIBIT NO. 7
CASE NO. 3070

Proposed Injection Well
Square Lake Field
Eddy County, New Mexico

Well: Kincaid & Watson Drilling Co. No. 5 Wright Federal

Location: 659' FNL & 1940' FEL Sec. 6, T-17-S, R-30-E

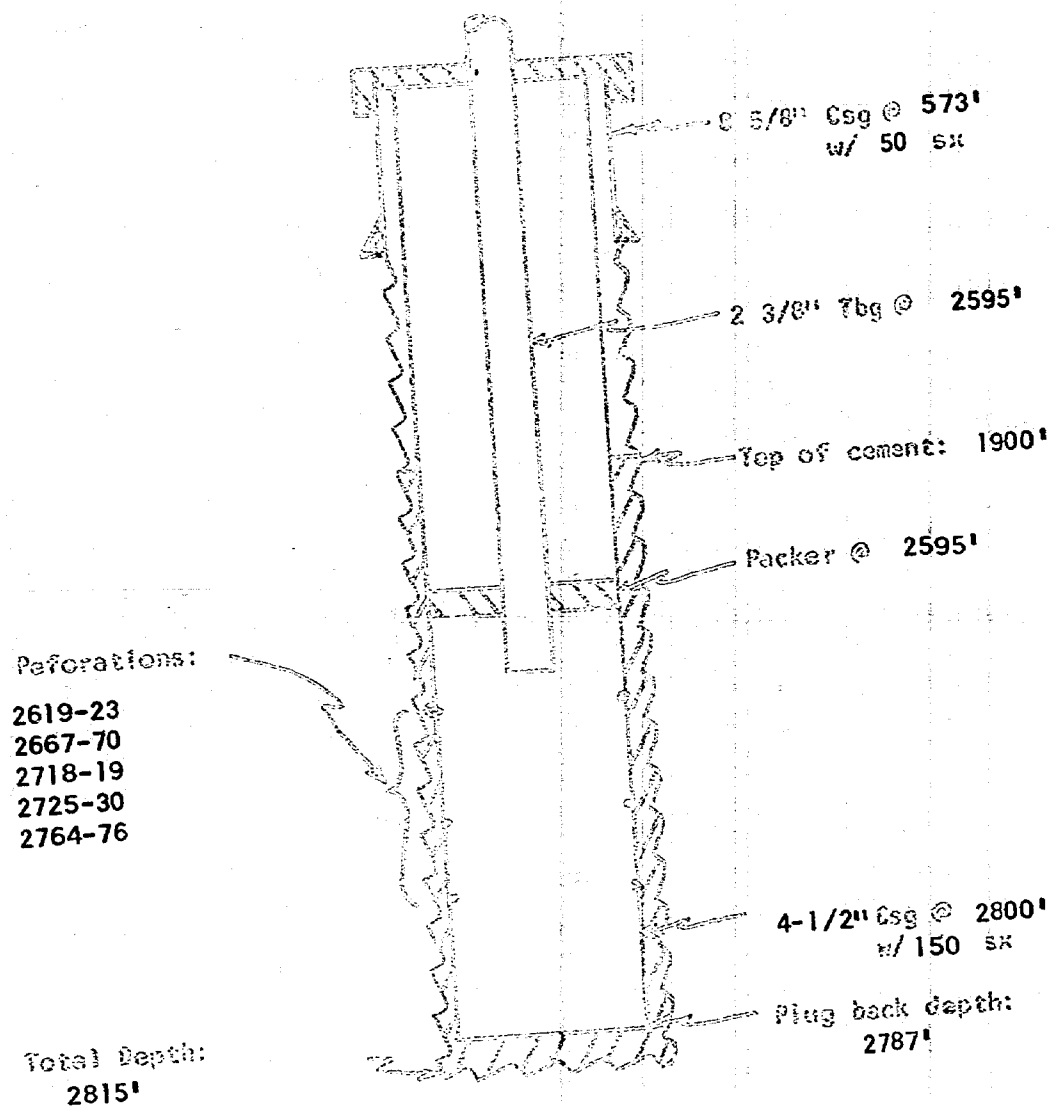
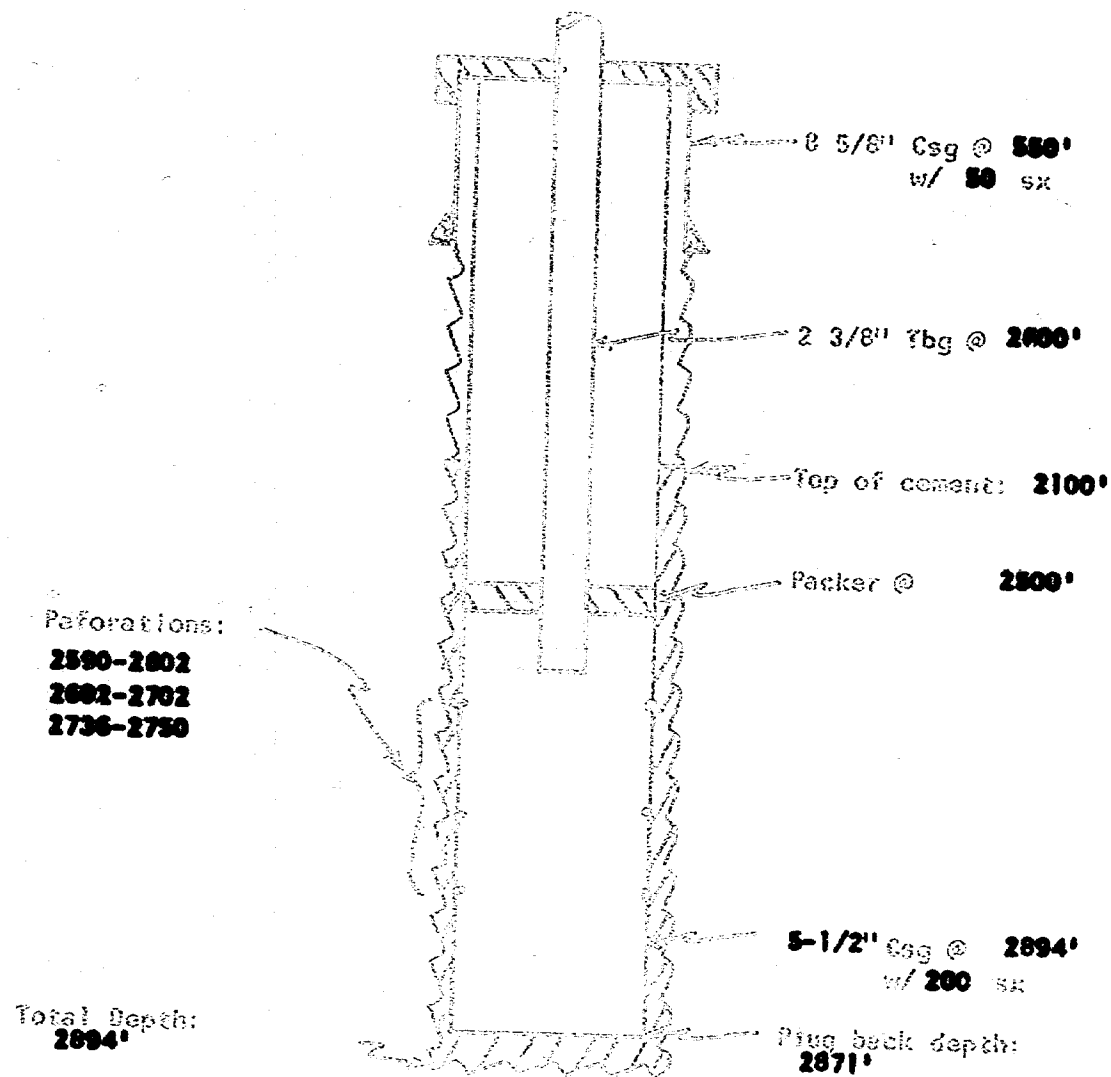


EXHIBIT "B"

Proposed Injection Well
Square Lake Field
Eddy County, New Mexico

Well: **Neaburg & Ingram No. 2 Brewery**

Location: **1650' FNL & 1900' FNL Sec. 6, T-17-S, R-30-E**

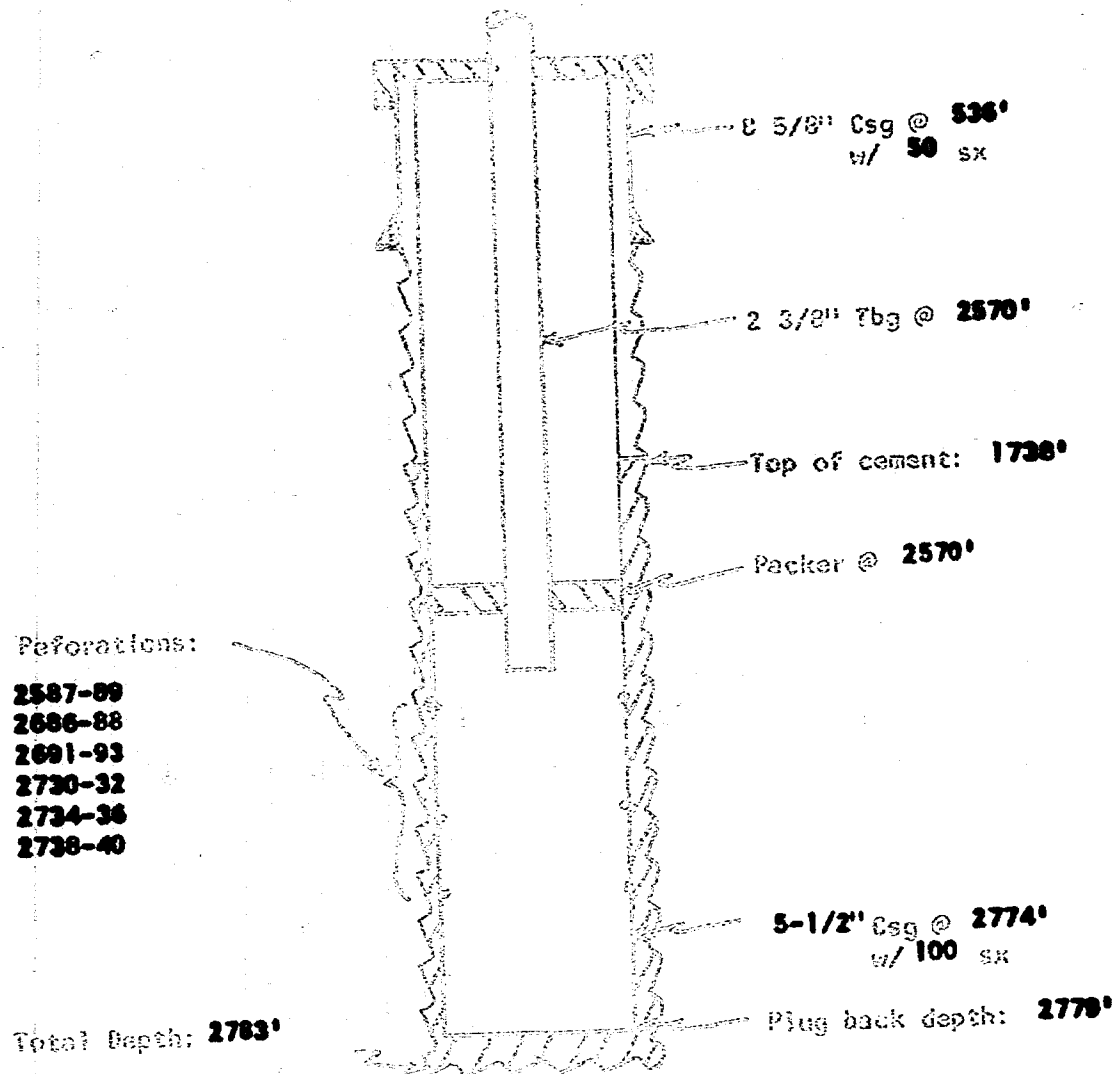


INJECTED FLUID:

Type: Fresh water
Source: Texas Company
Estimated Volume: 150 barrels of water per day per well
Formation: Grewburg sand

Proposed Injection Well
 Square Lake Field
 Eddy County, New Mexico

Well: Kincaid & Watson Drilling Co. No. 2 Wright Federal
 Location: 680' FNL & 687' FNL Sec. 6, T-17-S, R-30-E



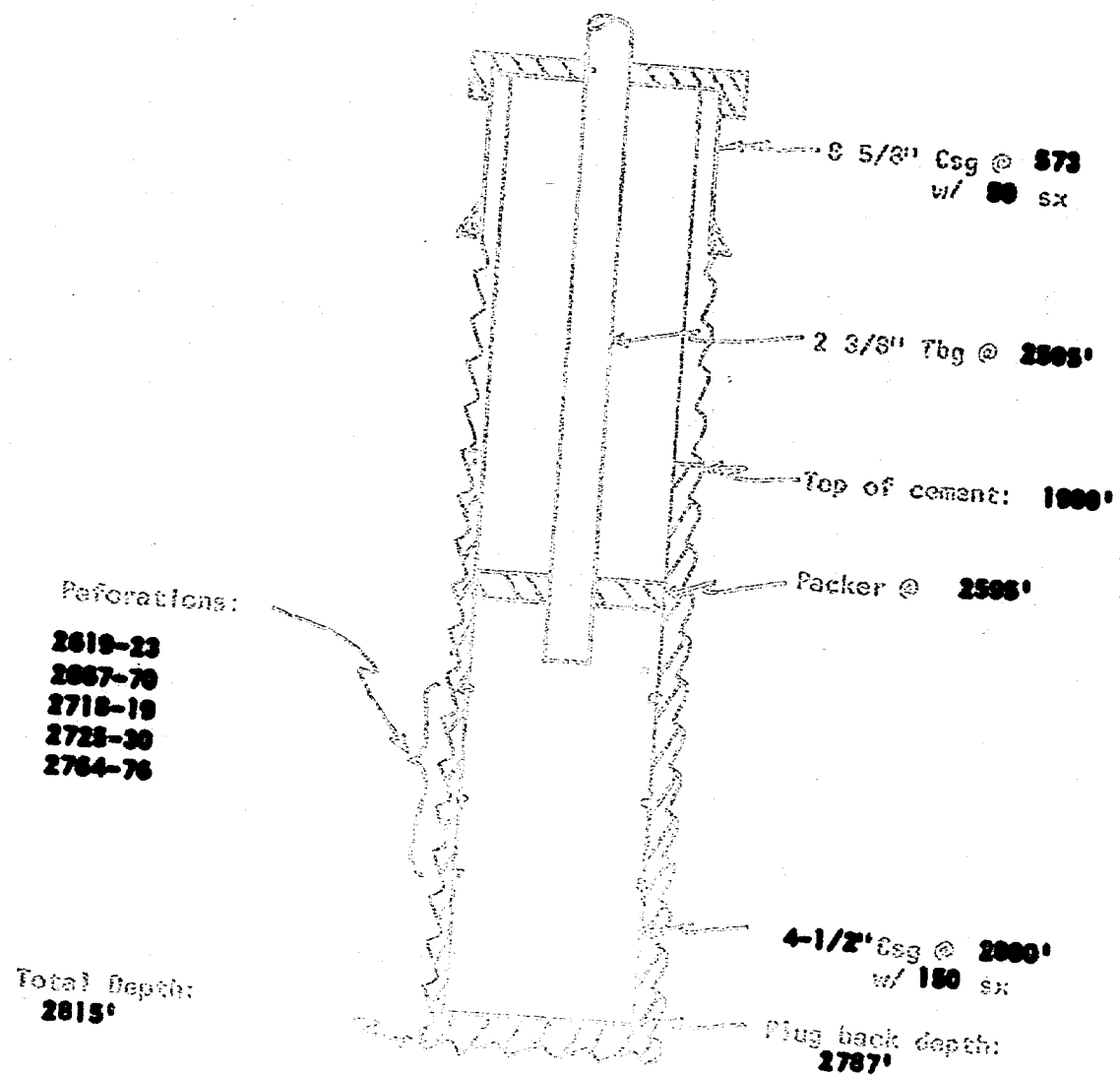
INJECTED FLUID:

Type: Fresh water
 Source: Texas Company
 Estimated Volume: 150 barrels of water per day per well
 Formation: Grayburg sands

Proposed Injection Well
 Square Lake Field
 Eddy County, New Mexico

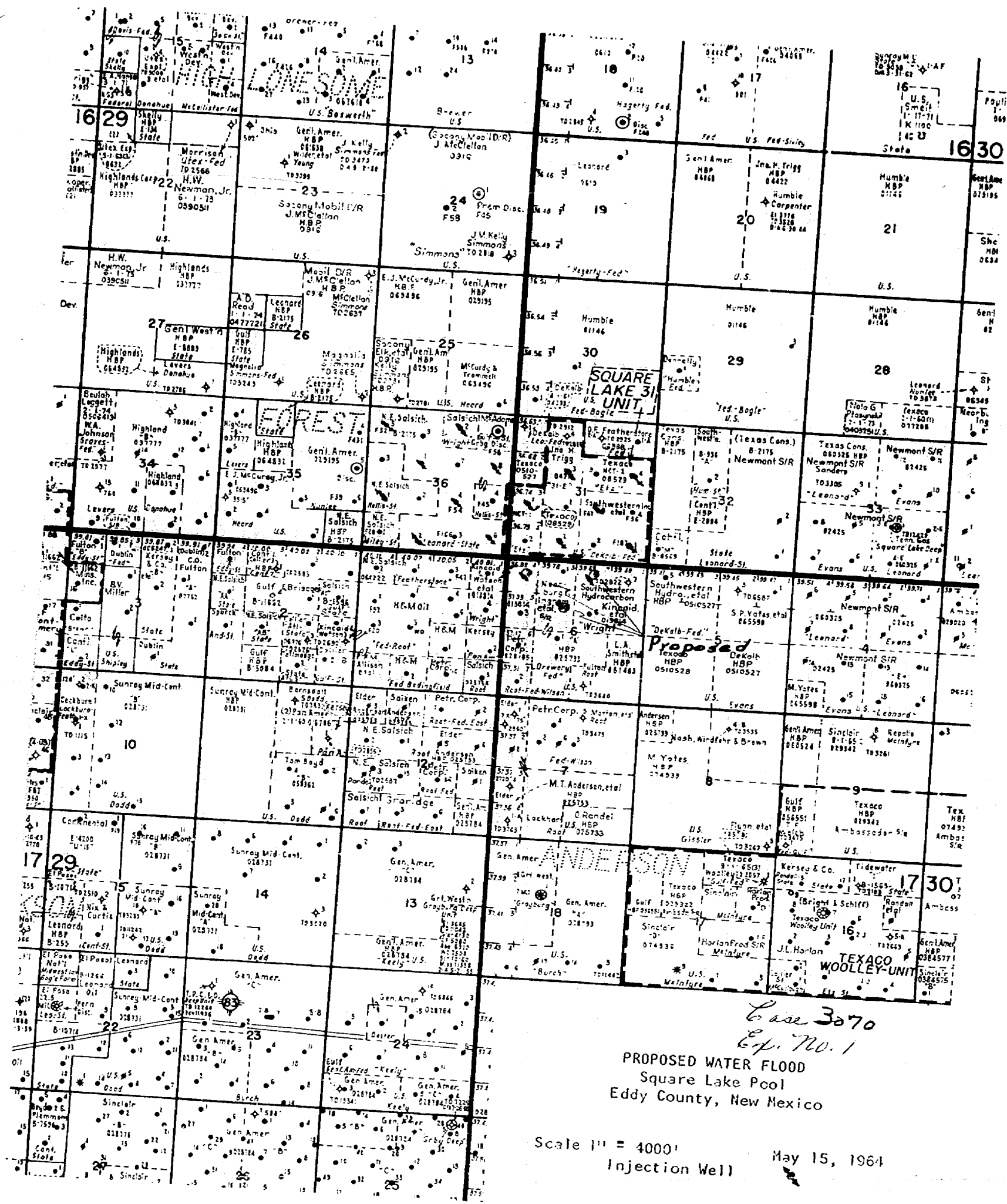
Well: Kincaid & Watson Drilling Co. No. 3 Wright Federal

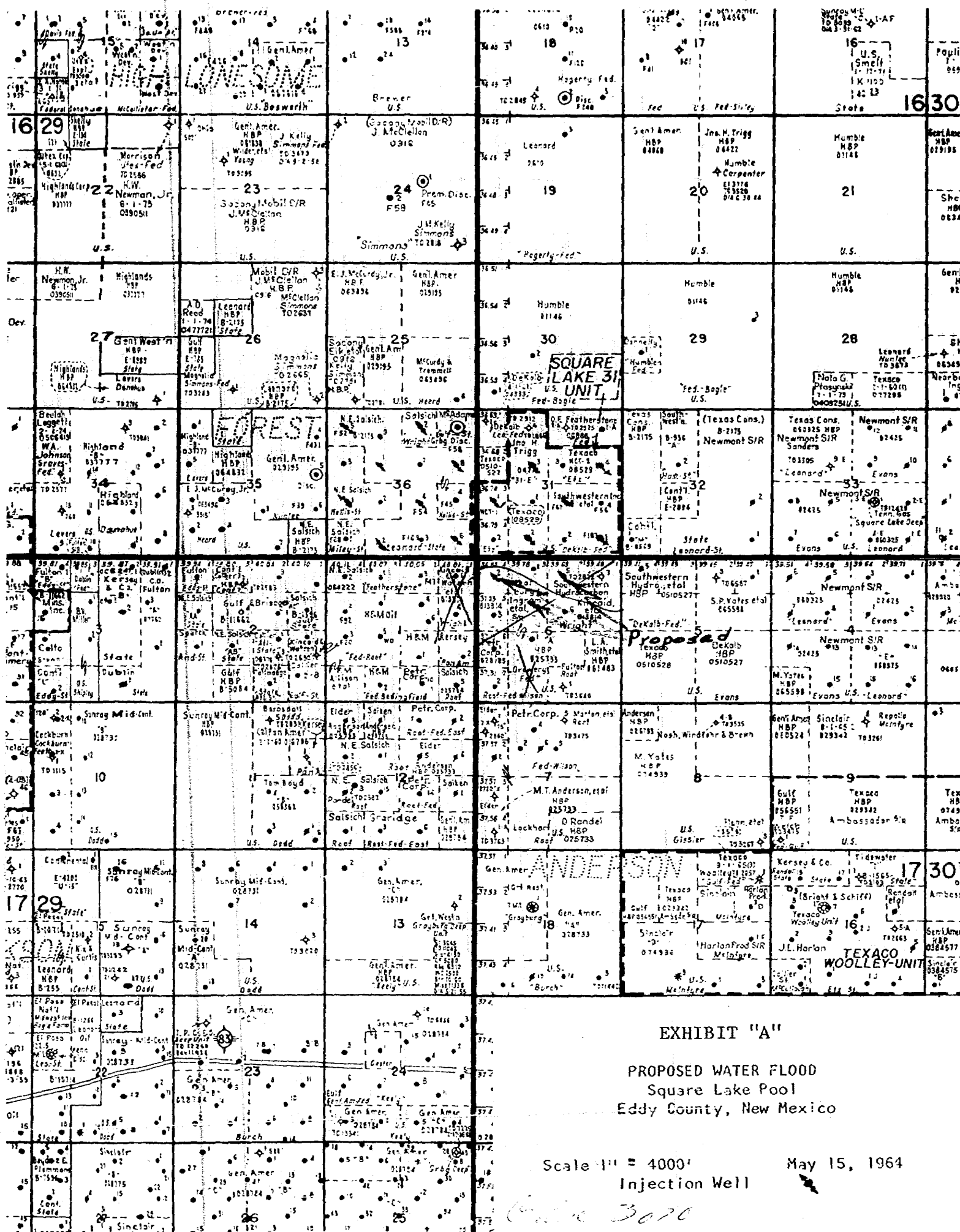
Location: 889' FNL & 1940' FEL Sec. 6, T-17-S, R-30-E



COLLECTED FLUID.

Type: Fresh water
 Source: Texas Company
 Estimated Volume: 100 barrels of water per day per well
 Formation: Grayburg sands





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

EXAMINER HEARING

IN THE MATTER OF: Application of Nearburg &
Ingram and Kincaid & Watson Drilling Company
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Case No. 3070

BEFORE: Elvis A. Utz, Examiner

TRANSCRIPT OF HEARING

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SANTA FE, N. M.
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(Witness sworn.)

TOM L. INGRAM, called as a witness, having been first duly sworn, was examined and testified as follows:

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ALBUQUERQUE, N. M.
PHONE 243-6691

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

I, ADA DEARNLEY, Court Reporter, do hereby certify that the foregoing and attached transcript of proceedings before the New Mexico Oil Conservation Commission Examiner at Santa Fe, New Mexico, is a true and correct record to the best of my knowledge, skill and ability.

IN WITNESS WHEREOF I have affixed my hand and notarial seal this 7th day of July, 1964.

Ada Dearnley
Notary Public - Court Reporter

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. 3020, heard by me on *July 19*, 19*64*.
Thurston, Examiner
New Mexico Oil Conservation Commission

