

CASE 3111: Application of CITIES
SERVICE OIL CO. for expansion of
a waterflood project.

CASE NO.

3111

Application,
TRANSCRIPTS,
SMALL Exhibits
ETC.

CITIES SERVICE OIL COMPANY
P. O. Box 69
Hobbs, New Mexico

September 2, 1954

RECEIVED
OCT 4 11 08
SEP 4 11 08

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

Attention: Mr. A. L. Porter, Jr.

Gentlemen:

Cities Service Oil Company, operator of the Drickey Queen Sand Unit, Chaves County, New Mexico, requests a hearing at the earliest convenient date to consider the conversion of the following producing wells to water injection wells:

Tract 9 well No. 1, Unit F, Section 22-14S-31E.
Tract 43, well No. 2 Unit H, Section 22-14S-31E.

The injection wells will be equipped with cement lined tubing and packer to prevent possible contamination of fresh water zones in the event of a casing failure. The attached diagramtic sketch indicates the size of casing, setting depth, amounts of cement used, tops of cement, total depths and other pertinent data. Water injection will be into the Queen formation at an approximate depth of 3500' at 400 barrels per day. The source of injection fluid is the Ogallala fresh water sand.

Copies of this application, along with all attachments have been sent to each offset operator and to the New Mexico State Engineer.

Very truly yours,

E. F. Motter
E. F. Motter
Division Engineer

DOCKET MAILED

cc:
John H. Trigg
P. O. Box 5629
Roswell, New Mexico

Great Western Drilling Co.
P. O. Box 1659
Midland, Texas

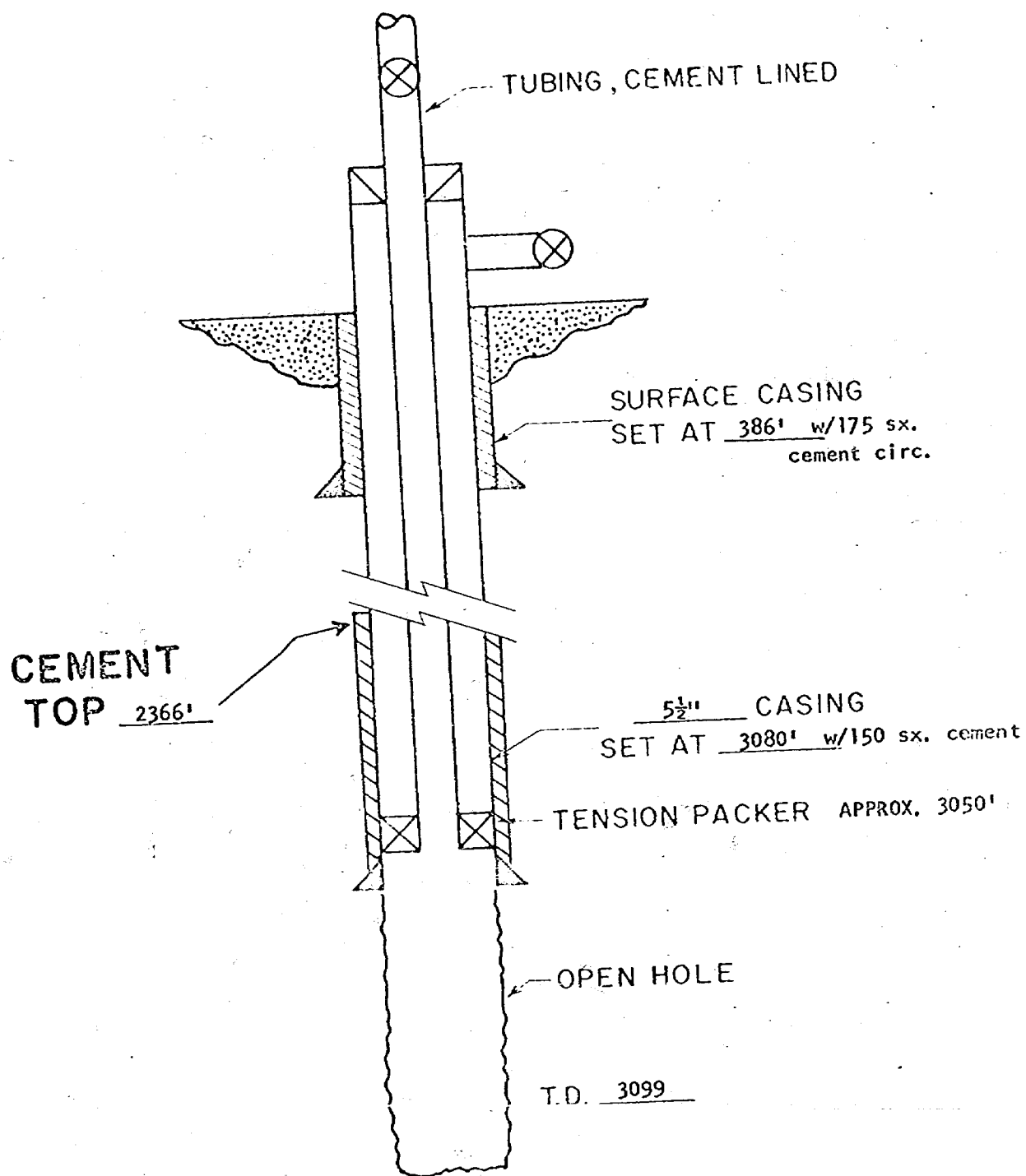
Phillips Petroleum Company
P. O. Box 2105
Hobbs, New Mexico

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

Mr. Frank Irby
State Engineer
P. O. Box 1069
Santa Fe, New Mexico

CITIES SERVICE OIL COMPANY

Tract 9, Well #1

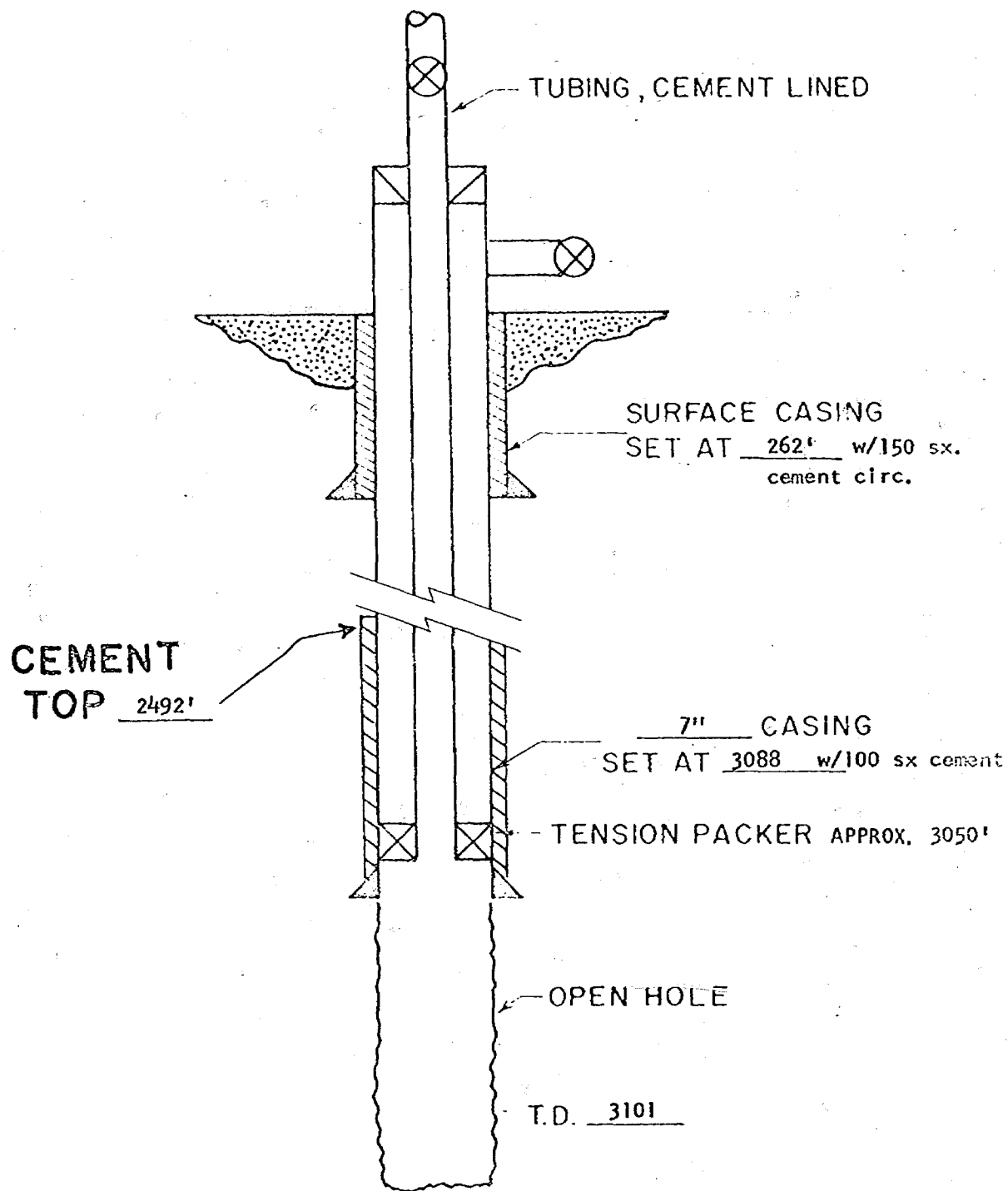


WATER INJECTION WELL SCHEMATIC
DRICKEY QUEEN SAND UNIT

Quesada 3111

CITIES SERVICE OIL CO.

Tract 43, Well #2



WATER INJECTION WELL SCHEMATIC

DRICKEY QUEEN SAND UNIT

Case 3111

CITIES SERVICE OIL COMPANY

P. O. Box 69

Hobbs, New Mexico

September 2, 1964

RECEIVED 4 AM 8 03

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

Attention: Mr. A. L. Porter, Jr.

Gentlemen:

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Tract 9 well No. 1, Unit F, Section 22-14S-31E.
Tract 43, well No. 2 Unit H, Section 22-14S-31E.

The injection wells will be equipped with cement lined tubing and packer to prevent possible contamination of fresh water zones in the event of a casing failure. The attached diagrammatic sketch indicates the size of casing, setting depth, amounts of cement used, tops of cement, total depths and other pertinent data. Water injection will be into the Queen formation at an approximate depth of 3500' at 400 barrels per day. The source of injection fluid is the Ogallala fresh water sand.

Copies of this application, along with all attachments have been sent to each offset operator and to the New Mexico State Engineer.

Very truly yours,



E. F. Motter
Division Engineer

cc:
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P. O. Box 5629
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P. O. Box 1659
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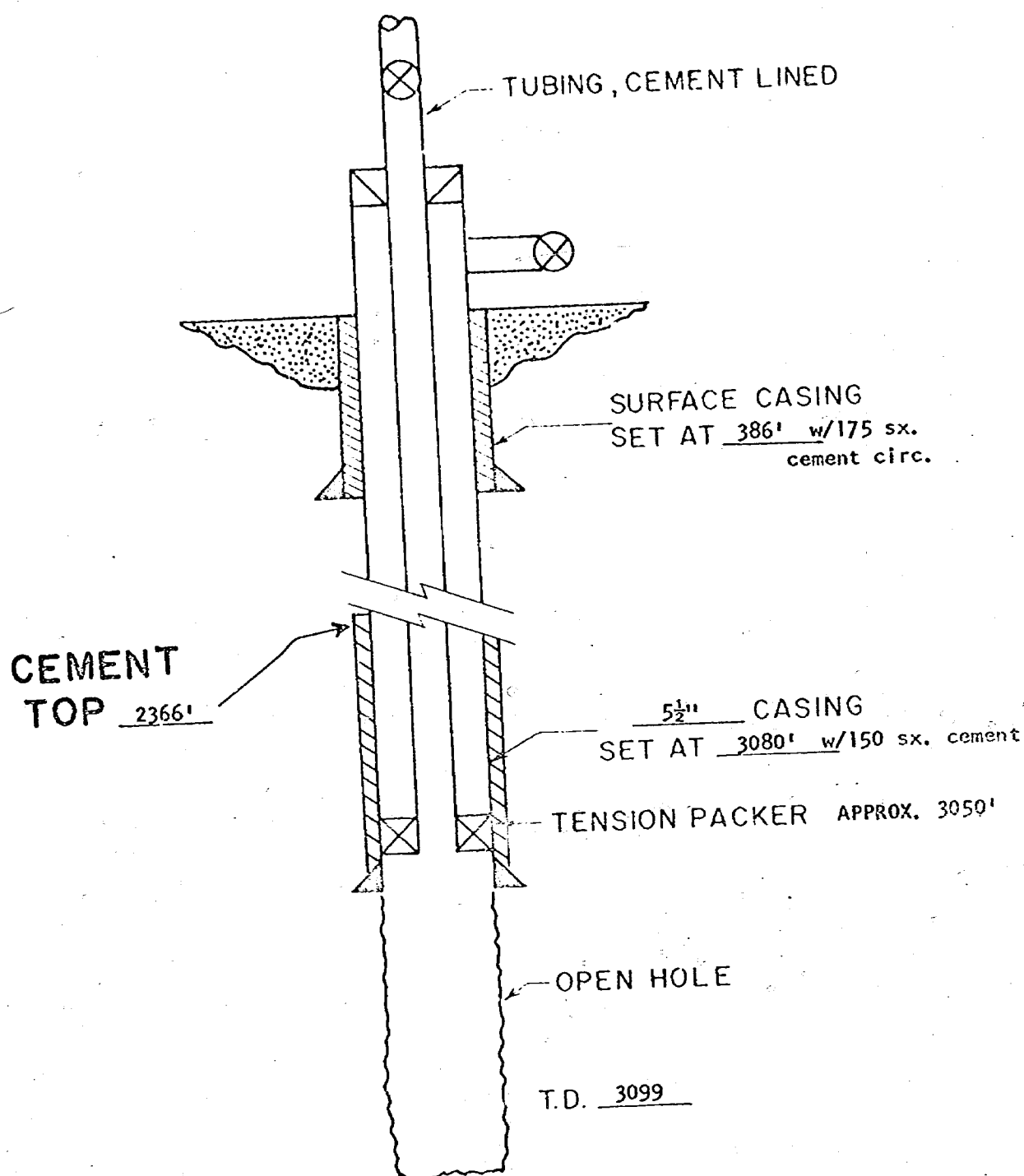
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P. O. Box 460
Hobbs, New Mexico

Mr. Frank Irby
State Engineer
P. O. Box 1069
Santa Fe, New Mexico

CITIES SERVICE OIL COMPANY

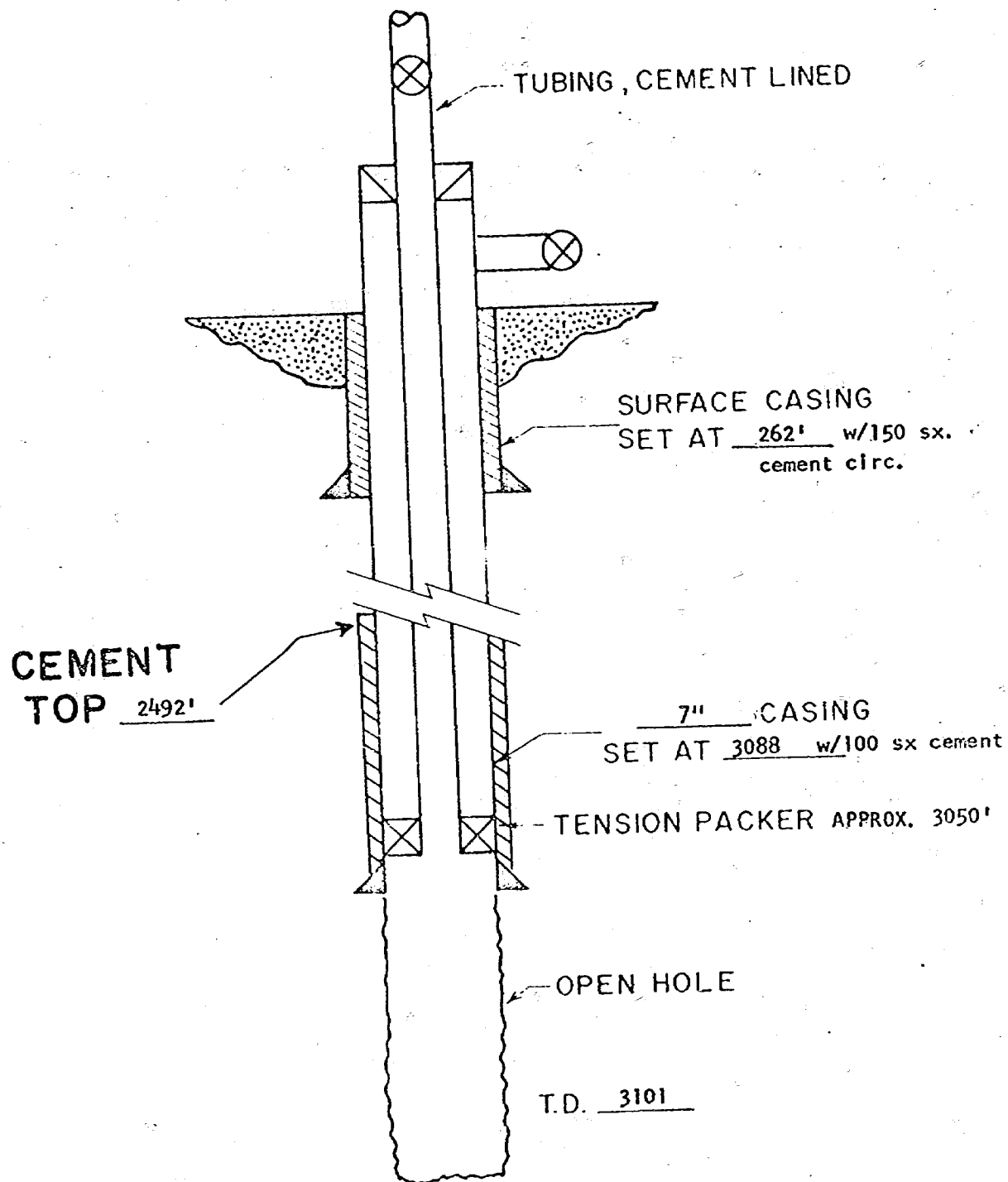
Tract 9, Well #1



WATER INJECTION WELL SCHEMATIC
DRICKEY QUEEN SAND UNIT

CITIES SERVICE OIL COMPANY

Tract 43, Well #2



WATER INJECTION WELL SCHEMATIC
DRICKEY QUEEN SAND UNIT



STATE OF NEW MEXICO

STATE ENGINEER OFFICE

SANTA FE

S. E. REYNOLDS
STATE ENGINEER

September 4, 1964

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

87501

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

Dear Mr. Porter:

Reference is made to the application of Cities Service Oil Company which seeks administrative approval for the conversion of the following wells to injection in their Drickey Queen Sand Unit, Chaves County:

Tract 9 Well No. 1, Unit F, Sec. 22, T. 14 S., R. 31 E.
Tract 43, Well No. 2, Unit H, Sec. 22, T. 14 S., R. 31 E.

In view of the statement that the injection wells will be equipped with cement-lined tubing and a packer set well below the top of the cement surrounding the 5½-inch casing and the 7-inch casing in wells No. 1 and No. 2, it appears that no threat of contamination to any fresh waters which may exist in the area will occur. Therefore, this office offers no objection to the granting of this application.

Yours truly,

S. E. Reynolds
State Engineer

By:

Frank E. Irby
Frank E. Irby
Chief
Water Rights Div.

FEI/ma
cc-Cities Service Co.
F. H. Hennighausen

DOCKET: EXAMINER HEARING - WEDNESDAY - SEPTEMBER 30, 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 3099: (Continued from the September 9, 1964, examiner hearing). Application of Leonard Nichols for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the approval of the West Maljamar Unit Area comprising 440 acres more or less, of Federal and fee lands in Sections 4 and 9, Township 17 South, Range 32 East, Lea County, New Mexico.
- CASE 3100: (Continued from the September 9, 1964, examiner hearing). Application of Leonard Nichols for a waterflood extension, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the extension of the waterflood project which he operates in Sections 2, 3, 10, and 11, Township 17 South, Range 32 East, Maljamar Pool, Lea County, New Mexico, by the addition of 6 water injection wells in Sections 4 and 9, same township. The original flood was authorized as the Boller-Nichols Waterflood Project, Roberts Pool, by Order No. R-1538.
- CASE 3107: Application of Texas Pacific Oil Company for temporary special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of temporary special pool rules including a provision for 80-acre spacing for the North Bagley Middle Pennsylvanian Pool in Township 11 South, Range 33 East, Lea County, New Mexico.
- CASE 3108: Application of Monsanto Company for a dual completion, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the dual completion (conventional) of its Dagger Draw Well No. 1, located in Unit O of Section 6, Township 20 South, Range 25 East, Eddy County, New Mexico, to produce gas from the Strawn and Morrow formations through the casing-tubing annulus and through tubing, respectively.
- CASE 3109: Application of Phillips Petroleum Company for a non-standard gas proration unit and an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an 80-acre non-standard gas proration unit comprising the E/2 SW/4 of Section 35, Township 17 South, Range 34 East, Lea County, New Mexico, to be dedicated to its Hale Well No. 11 to be completed in an undesignated Yates gas pool at an unorthodox location 1980 feet from the South line and 2310 feet from the West line of said Section 35.
- CASE 3110: Application of George L. Buckles Company for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the Langlie-Mattix Pool by the injection of water into the Queen formation through two wells at unorthodox locations on its Jamison Lease in Sections 21 and 22, Township 24 South, Range 37 East, Lea County, New Mexico.

CASE 3111: Application of Cities Service Oil Company for the expansion of a waterflood project, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to expand the Drickey Queen Waterflood Project, Caprock Queen Pool, by the conversion to water injection of two wells in Units F and H of Section 22, Township 14 South, Range 31 East, Chaves County, New Mexico.

CASE 3112: Application of Continental Oil Company for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to install dual-flow downhole commingling equipment in its dually completed Jicarilla 28 Well No. 1, located in Unit J of Section 28, Township 25 North, Range 4 West, Rio Arriba County, New Mexico. Said well is a Gallup-Dakota oil-oil dual completion.

CASE 3113: Application of BCO, Inc. for a unit agreement, San Juan and Rio Arriba Counties, New Mexico. Applicant, in the above-styled cause, seeks approval of the Escrito Gallup Pool Unit Area comprising 3123.88 acres, more or less, of state and federal lands in Township 24 North, Ranges 7 and 8 West, San Juan and Rio Arriba Counties, New Mexico.

CASE 3114: Application of BCO, Inc. for a waterflood project, San Juan and Rio Arriba Counties, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the Escrito Gallup Oil Pool in its Escrito Unit Area by the injection of water into the Gallup formation through three wells located in Sections 17 and 18, Township 24 North, Range 7 West, and Section 12, Township 24 North, Range 8 West, San Juan and Rio Arriba Counties, New Mexico.

Case 3111

Heard 9-30-64

Rec. 10-1-64

1. Grant Cities Ser. Oil Co., attention
to their Dickey Queen waterflood ~~also~~
approving. 2 new injection wells.

a. Cities Ser. - Tract 43 #2, - H-22-145-31E

b. Cities Ser. - Tract #9 #1 - F-22-145-31E

Thur. W.

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. 2769
Order No. R-2448

APPLICATION OF CITIES SERVICE OIL
COMPANY FOR THREE WATER INJECTION
WELLS, CHAVES COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on March 7, 1963, at Santa Fe, New Mexico, before Daniel S. Nutter, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 13th day of March, 1963, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Daniel S. Nutter, and being fully advised in the premises,

FINDS:

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

(2) That the applicant, Cities Service Oil Company, is the operator of the Drickey Queen Sand Unit which comprises, in part, a portion of Section 16, Township 14 South, Range 31 East, NMPM, Caprock-Queen Pool, Chaves, County, New Mexico.

(3) That, by Order No. R-1128 and subsequent orders, the Commission authorized Cities Service Oil Company to conduct the Drickey Queen Sand Unit Waterflood Project in Township 14 South, Range 31 East, NMPM, Chaves County, New Mexico.

(4) That the applicant seeks authority to expand said waterflood project by converting to water injection the following-described wells located in Section 16, Township 14 South, Range 31 East, NMPM, Chaves County, New Mexico:

Drickey Queen Sand Unit Tract 34 Well No. 1, located
in Unit B of Section 16;

Drickey Queen Sand Unit Tract 36 Well No. 1, located
in Unit P of Section 16.

-2-

CASE No. 2769
Order No. R-2448

(5) That the applicant also seeks authority to drill the following-described well for water injection in Section 16, Township 14 South, Range 31 East, NMPM, Chaves County, New Mexico:

Drickey Queen Sand Unit Tract 33 Well No. 2-W, to be located 1325 feet from the South line and 1325 feet from the West line of Section 16.

(6) That the portion of Section 16, Township 14 South, Range 31 East, NMPM, Chaves County, New Mexico, that is included within the Drickey Queen Sand Unit Area is offset on all sides by waterflood projects.

(7) That the applicant has entered into Line Well Agreements with the operators of all of the said offsetting waterflood projects.

(8) That Line Well Agreements provide for water injection through the three subject wells.

(9) That approval of the subject application is necessary in order to protect correlative rights and prevent waste.

IT IS THEREFORE ORDERED:

(1) That the applicant, Cities Service Oil Company, is hereby authorized to expand its Drickey Queen Sand Unit Waterflood Project by converting to water injection the following-described wells located in Section 16, Township 14 South, Range 31 East, NMPM, Chaves County, New Mexico.

Drickey Queen Sand Unit Tract 34 Well No. 1, located in Unit B of Section 16;

Drickey Queen Sand Unit Tract 36 Well No. 1, located in Unit P of Section 16.

(2) That the applicant, Cities Service Oil Company, is hereby authorized to expand its Drickey Queen Sand Unit Waterflood Project by drilling the following-described well for water injection in Section 16, Township 14 South, Range 31 East, NMPM, Chaves County, New Mexico:

Drickey Queen Sand Unit Tract 33 Well No. 2-W, to be located 1325 feet from the South line and 1325 feet from the West line of Section 16.

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

-3-

CASE No. 2769
Order No. R-2448

DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

JACK M. CAMPBELL, Chairman

E. S. WALKER, Member

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

S E A L

esr/

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. _____

CASE No. 3111

Order No. R- 2780

APPLICATION OF CITIES SERVICE OIL
COMPANY FOR THE EXPANSION OF A
WATERFLOOD PROJECT, CHAVES COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on
September 30 1964, at Santa Fe, New Mexico, before Examiner
Elvis A. Utz.

NOW, on this _____ day of October, 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, Cities Service Oil Company, is the
operator of the Drickey Queen Sand Unit which comprises, in part,
a portion of Section 22, Township 14 South, Range 31 East, NMPM,
Caprock-Queen Pool, Chaves County, New Mexico.

(3) That, by Order No. R-1128 and subsequent orders, the
Commission authorized Cities Service Oil Company to conduct the
Drickey Queen Sand Unit Waterflood Project in Township 14 South,
Range 31 East, NMPM, Chaves County, New Mexico.

(4) That the applicant seeks authority to expand said waterflood project by converting to water injection the following described wells located in Section 22, Township 14 South, Range 31 East, NMPM, Chaves County, New Mexico:

Cities Service Oil Company Tract 43 well No 2 located in unit H of Section 22.

Cities Service Oil Company Tract 9 well No 1 located in unit F of Section 22.

(6) That approval of the subject application should result in the recovery of otherwise unrecoverable oil, thereby preventing waste.

(5) That the wells in the ~~proposed~~ project area are in an advanced state of depletion and should properly be classified as "stripper" wells.

It is therefore ordered:

(1) That the applicant, Cities Service Oil Company, is hereby authorized to expand the Brickyard Queen Sand Unit Waterflood Project by converting to water injection the following described wells in Section 22, Township 14 South, Range 31 East, NMPM, Chaves County, New Mexico:

Cities Service Oil Company Tract 43 Well No 2 located in Unit H of Section 22

Cities Service Oil Company Tract 9 well No 1 located in Unit F of Section 22

(2) introduction

alone @ 2 22

GOVERNOR
JACK M. CAMPBELL
CHAIRMAN

State of New Mexico
Oil Conservation Commission



LAND COMMISSIONER
E. B. JOHNNY WALKER
MEMBER

P. O. BOX 2088
SANTA FE

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

October 16, 1964

Mr. Jason Kellahin
Kellahin & Fox
Attorneys at Law
Post Office Box 1769
Santa Fe, New Mexico

Re: CASE NO. 3111
ORDER NO. R-2780
APPLICANT Cities Service

Dear Sir:

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

Very truly yours,

A. L. Porter, Jr.
A. L. PORTER, JR.
Secretary-Director

ir/

Carbon copy of order also sent to:

Hobbs OCC x

Artesia OCC x

Aztec OCC

OTHER Mr. Frank Irby

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE No. 3111
Order No. R-2780

APPLICATION OF CITIES SERVICE OIL
COMPANY FOR THE EXPANSION OF A
WATERFLOOD PROJECT, CHAVES COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on September 30, 1964, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 14th day of October, 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, Cities Service Oil Company, is the operator of the Drickey Queen Sand Unit which comprises, in part, a portion of Section 22, Township 14 South, Range 31 East, NMPM, Caprock-Queen Pool, Chaves County, New Mexico.

(3) That, by Order No. R-1128 and subsequent orders, the Commission authorized Cities Service Oil Company to conduct the Drickey Queen Sand Unit Waterflood Project in Township 14 South, Range 31 East, NMPM, Chaves County, New Mexico.

(4) That the applicant seeks authority to expand said waterflood project by converting to water injection the following-described wells in Section 22, Township 14 South, Range 31 East, NMPM, Chaves County, New Mexico:

-2-

CASE No. 3111
Order No. R-2780

Cities Service Oil Company Tract 43 Well No. 2,
located in Unit H of Section 22.

Cities Service Oil Company Tract 9 Well No. 1,
located in Unit F of Section 22.

(5) That the wells in the proposed project area are in an advanced state of depletion and should properly be classified as "stripper" wells.

(6) That approval of the subject application should result in the recovery of otherwise unrecoverable oil, thereby preventing waste.

IT IS THEREFORE ORDERED:

(1) That the applicant, Cities Service Oil Company, is hereby authorized to expand the Drickey Queen Sand Unit Waterflood Project by converting to water injection the following-described wells in Section 22, Township 14 South, Range 31 East, NMPM, Chaves County, New Mexico:

Cities Service Oil Company Tract 43 Well No. 2,
located in Unit H of Section 22.

Cities Service Oil Company Tract 9 Well No. 1,
located in Unit F of Section 22.


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

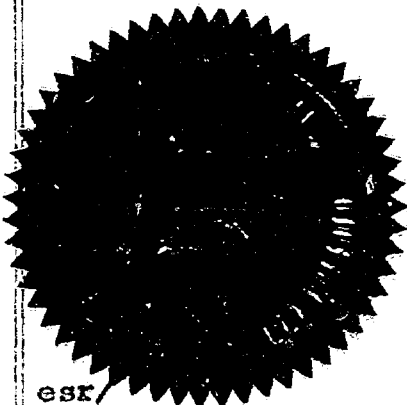
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


JACK M. CAMPBELL, Chairman


E. S. WALKER, Member


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

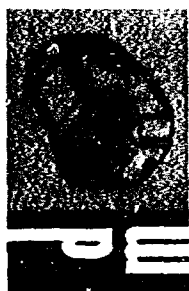


esr

dearnley-meier reporting service, inc.

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

1120 SIMMS BLDG. • P. O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO



BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
September 30, 1964

EXAMINER HEARING

IN THE MATTER OF: Application of Cities
Service Oil Company for the expansion of a
waterflood project, Chaves County, New
Mexico. Applicant, in the above-styled
cause seeks authority to expand the Drickey
Queen Waterflood Project, Caprock Queen Pool,
by the conversion to water injection of two
wells in Units F and H of Section 22, Town-
ship 14 South. Range 31 East, Chaves County,
New Mexico.

Case No. 3111

BEFORE: Elvis A. Utz, Examiner

TRANSCRIPT OF HEARING

MR. UTZ: Case 3111.

MR. DURRETT: Application of Cities Service Oil Company for the expansion of a waterflood project, Chaves County, New Mexico.

MR. KELLAHIN: Jason Kellahin, Kellahin and Fox, Santa Fe, representing the Applicant. We have one witness to be sworn.

(Witness sworn.)

(Whereupon, Applicant's Exhibits 1, 2 & 3 marked for identification.)

E. F. MOTTER, called as a witness, having been first duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Would you state your name, please?

A E. F. Motter.

Q By whom are you employed and what position?

A Cities Service Oil Company, Division Engineer of the Texas-Mexico Division.

Q Have you testified before the Oil Conservation Commission and made your qualifications a matter of record?

A Yes.

MR. KELLAHIN: Are the witness' qualifications acceptable?

MR. UTZ: Yes, sir, they are.



dearnley-meier reporting services, inc.

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

1120 SIMMS BLDG. • P. O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO



Q Are you familiar with the application of Cities Service in Case 3111?

A Yes, I am.

Q Would you state briefly what Cities Service proposes in this application?

A Tract 46, which is the north half of the northeast quarter of Section 22 --

Q Is that shown on Exhibit Number 1?

A Yes, excuse me, on Exhibit 1, will come into this unit effective tomorrow. This is a tract that has been in our unit since '59 and we finally negotiated it into the unit. This lease originally had two wells drilled on it. The Number 2 Well was plugged and abandoned in 1959. The Number 1 Well has been an exceptionally good well of an accumulated 125,831 barrels of oil. The Number 2 had produced in excess of 26,000 barrels prior to its abandonment.

As you will note from Exhibit Number 1, that if we followed the same pattern which was established in this field some five or six miles north of here where the floods were first started, that the Tract 46 Well Number 1 would be an injection well. We think that it would be a loss of production to make this an injection well and force this oil into other areas, perhaps down into the area 46, to where some of it might be lost. So, we plan to leave it as a producing well and convert Wells 9 - 1,

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

1120 SIMMS BLDG. • P. O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO



and 9 - 2. In the light blue pencil, Tract 1 Well Six and Tract 9, Well 2 were approved for injection administratively on September 18, 1964. The two red wells are the subject wells; the green circled well, which is labeled the O'Neil Number 4, is in the Continental operated East Caprock Unit. It is not an injection well at this time. Continental has had difficulty in securing all the approvals to put the Shelton and Warren Lease, which is immediately east of that, into the unit. However, they advise us that as soon as this is arranged they will put this well on injection.

As you will note, this is a change of pattern from what we have established in the north. However, this is a continuation of a pattern that was established by the Union Flood immediately south of the Continental East Caprock Unit. So, we have chosen to put on the two injection wells, or ask that they be put on, first, so that we may drive the oil away from the old abandoned Well Number 2, and secondly, we feel there will be more ultimately leaving Number 1 on production.

Q Referring to what has been marked as Exhibit 2, explain that.

A These two exhibits are schematics of the wells themselves, indicating the surface pipe, the amount of cement used, the open hole completion, the point at which we will set tubing along with tension anchor.

dearnley-meier reporting service, inc.

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

1120 SIMMS BLDG. • P. O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO



Q Will that completion adequately protect any producing horizons or fresh water zones encountered?

A Yes, we think it will.

Q Mr. Motter, has the area in Tract Number 46 received a response from the waterflood?

A No, sir.

Q And that is the reason you require approval at this time of the injection wells?

A Yes, if you'll note, our closest injection well is Tract 2 Well Number 1, which is the northwest-southwest of Section 15. We have purposely stayed away from this tract as long as possible with our flood until it was negotiated into the unit.

Q In your opinion is the approval of Cities Service in the interest of conservation and protection of correlative rights?

A Yes.

Q Were Exhibits 1 through 3 prepared by you or under your supervision?

A Yes, they were.

MR. KELLAHIN: I would like to offer in evidence Exhibits 1, 2 and 3.

MR. UTZ: Without objection the Exhibits 1, 2 and 3 will be entered into the record of this case.

(Whereupon, Applicant's Exhibits 1, 2 & 3 were admitted in evidence.)



CROSS EXAMINATION

BY MR. UTZ:

Q Referring to your Exhibit Number 1 again, what did you say the wells circled in blue indicated?

A Those are proposed injection wells which we have received administrative approval on September 18th to convert. Those were through the response of Tract 2, Well 2; therefore, they come under the administrative procedure.

Q Number 9 Wells, the two wells are covered in Exhibits 2 and 3 that you have requested at this time?

A Tract 9, Well Number 1 and Tract 46, Well 2; they are the wells circled in red.

Q Is this completion that you recommend here on your Exhibits 2 and 3 identical to the completions used in the balance of your flood?

A Yes, they are. I guess I would like to point out one thing. It is on the exhibit, the tubing is cement lined to protect against corrosion.

Q You fill the annulus with inert fluid?

A Normally we fill it with fresh water and it soon becomes neutral.

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

REDIRECT EXAMINATION

BY MR. KELLAHIN:

Q Have you received administrative approval from the Oil Conservation Commission of the inclusion of this tract as provided by Order R-1477?

A Yes, we have. On September 24th, Administrative Order UX-4 administratively approves the enlargement of the Drickey Queen Unit to include the west half-northwest quarter Section 22, Township 14 South, Range 31 East, Chaves County. We have received also approval from the New Mexico Land Office, and we have filed everything with the United States Geological Survey, assuming that this will be approved.

MR. UTZ: The description of both these tracts have been approved administratively?

A Yes.

MR. UTZ: Any other questions of the witness? He may be excused.

(Witness excused.)

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

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

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STATE OF NEW MEXICO)
COUNTY OF BERNALILLO) ss.

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 10th day of October, 1964.

Ada Dearnley
Notary Public - Court Reporter

My Commission Expires:
June 19, 1967

do hereby certify that the foregoing is a complete record of the proceedings in the Examiner's hearing of Case No. 7111, heard by me on Sept. 30, 1964.
James C. [Signature], Examiner
New Mexico Oil Conservation Commission