

CASE 3896: Application of KERSEY
& HANSON, YATES DRUG. CO. & JOHN
TRIGG FOR SEVERAL WATERFLOODS.

Case Number

3896

Application
Transcripts.

Small Exhibits

ETC.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
October 23, 1968

EXAMINER HEARING

IN THE MATTER OF:)

Application of Kersey & Hanson,)
Yates Drilling Company and John H.)
Trigg for several waterflood projects,)
Eddy County, New Mexico.)

Case No. 3896

BEFORE: Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

MR. NUTTER: Call Case 3896.

MR. HATCH: Application of Kersey & Hanson, Yates Drilling Company and John H. Trigg for several waterflood projects, Eddy County, New Mexico

MR. NUTTER: The record will show that Mr. Kersey is still under oath.

(Whereupon, Applicants' Exhibits
A through H marked for identification)

* * * * *

HAROLD KERSEY, one of the Applicants, having been previously duly sworn, testified as follows:

* * * * *

MR. KERSEY: Here is a couple more of the copies of the proposal that was submitted to the Commission. I also have in that connection, letters from John H. Trigg and Yates Drilling Company authorizing my authority to present their case in conjunction because this is a cooperative deal, before this Commission.

MR. NUTTER: This is actually a composit application of three different companies?

MR. KERSEY: That is right, Kersey & Company, Trigg and Yates Drilling Company.

MR. PORTER: We do have a letter from Yates Drilling Company.

MR. KERSEY: Yes, you mailed one direct and I have copies of it here and I also have copies of a letter from Trigg, which I will submit in evidence.

This flood is in what we term the Y D area and it is productive from the Queen Sand in Section 28, 18, 29, and we considered unitization of the area and then we came upon the idea of instituting a line drive flood which will involve one well of Triggs, one well of Yates Drilling Company and two wells of ours. The water for this injection initially will be obtained from John Trigg's Wolfcamp Discovery well in Section 20, 18, 29. We took the pattern that you see proposed here up with the U. S. G. S. and it was their opinion that using this particular pattern, that no one's rights would be, everyone would have equal rights as far as injection was concerned, and there's only one producing zone in the area which is the Queen and we propose to set a packer above this. If you will turn to, well Exhibit A shows the general area. Exhibit B is the detail of the four injection wells and Exhibit F shows how each well in the flood will be completed. They're all cased through and perforated, packers will be set with cement-lined tubing on each well and injection will be in that manner.

Initially we are limited on the amount of water,

but Double Eagle has indicated that they will supplement our water supply, perhaps by the end of the year. The production in the area at the present time is down, is knocked down clear out of an economic status and we feel by instituting this flood that results should be obtained that would be economic for all the parties concerned.

EXAMINATION

BY MR. NUTTER:

Q Now, you stated that Double Eagle would supplement the water supply. What would be the initial water supply?

A About 600 barrels. The Wolfcamp well is producing that. This solves a problem for John Trigg because he had no place for this water to go come January the 1st.

Q That's from the Wolfcamp?

A That's from the Wolfcamp.

Q Where is that Wolfcamp well?

A It's located in the southeast of the southeast of Section 20, 18, 29.

Q Now, Mr. Kersey, referring to Exhibit A, would you describe each of these leases that's involved here?

A Well, John Trigg's lease is the first lease and it consists of five forty-acre tracts with a south half of the southwest quarter, the southwest quarter of the southeast

quarter, and the northwest quarter of the southwest quarter, and the southwest quarter of the northwest quarter of Section 28, 18, 29.

Q Fine.

A The Kersey and Company and Hanson leases consist of the east half of the northwest quarter, the northeast of the southwest quarter of Section 28 and the southeast quarter of Section 21, and the west half of the northwest quarter of Section 27, all in 18, 29. The Yates Drilling Company lease consists of the northeast quarter of Section 28, 18, 29. We have one other lease I didn't indicate. It's the northwest of the southeast quarter.

Q That's that Federal Perry Well?

A That's Federal Perry, that's right.

Q That actually another lease from the one that you are going to inject on?

A That's another lease from what we plan to inject on.

Q The injection well there in Section 28 on your lease, what is the name of that lease?

A That is Kersey and Hanson Y D Lease.

Q That's the Y D?

A Y D.

Q Federal?

A Federal.

Q It has one injection well and two producing wells?

A That is right.

Q The Denton Lease up in Section 21 --

A It has one producing well and one injection.

Q -- the Denton over in Section 27?

A Has one producing well.

Q Has one producing well, and that would be the well down there in the northwest of the southwest, or the one up in the northwest northwest?

A Northwest northwest.

Q So it's a direct offset to the injection well which is on the same lease?

A That's right.

Q And would earn allowable credit in this project?

A That's right.

Q And the Yates Lease has one injection well and three producing wells?

A That's right, one injection and three producing.

Q The Trigg lease has one injection well and three producing wells?

A Right. It makes a rather simple pattern, that is simple from several standpoints, saves unitization and I

think our results ought to be as good.

Q And the operators understand that each lease stands on its own ---

A Each lease stands on its own.

Q -- as far as allowable and so forth?

A That's right.

Q What is the average rate of production from these wells?

A About one barrel or less at this particular time, it's clear down past the economic status.

Q And definitely qualifies as a waterflood project?

A That is right.

Q Would you go into this surface and production casing program in a little more detail, Mr. Kersey?

A Yes. If you will refer to my Exhibit F, you'll see on the Kersey and Hanson Y D No. 2, the 8 and 5/8ths is cemented at 360 feet with 50 sacks and the 5 and 1/2 inch casing was cemented at 2026 with 150 sacks; and on the Yates Drilling Company Y D No. 3, it's also part of the same basic lease as our lease, their 7 inch was cemented at 389 feet with 75 sacks and their 4 and 1/2 inch casing at 2045 feet with 100 sacks; and on the Kersey and Hanson Denton No. 1, the 8 and 5/8ths was at 426 with 50 sacks and the 5 and 1/2

at 2054 feet with 100 sacks; and on John H. Trigg's Jennings No. 2, the 7 inch was 407 feet with 100 sacks and the 4 and 1/2 at 2030 with 100 sacks.

Q Did the cement on any of these circulate to the surface?

A So far as I know, they didn't. When these wells were drilled, of course, no thought at that particular time was given to secondary recovery so we put in the required amount of cement and that was that.

Q Now, three of the wells were cemented with a hundred sacks on the long string and one has 150 sacks, do you have an estimate as to the top of the cement on those?

A I would say the top of cement would be approximately around fourteen to fifteen hundred feet because on one of our wells we did run a survey. I don't remember whether it's one that's in the flood, but we did run a survey on one of them, after we cemented.

Q And you have fill up to about 1400?

A To 1400 feet.

Q With the same amount of cement?

A With the same amount of cement.

MR. NUTTER: Are there any other questions of Mr.

Kersey?

MR. PORTER: Just a couple.

EXAMINATION

BY MR. PORTER:

Q When were these wells drilled?

A When were the Trigg wells drilled?

Q When were these wells drilled?

A About ten years ago.

Q What has been the primary?

A The primary has been around fifteen to twenty thousand barrels.

MR. PORTER: Thank you.

MR. NUTTER: You wish to offer these Exhibits as evidence in the hearing?

MR. KERSEY: Yes.

MR. NUTTER: We have the letter.

MR. KERSEY: Copies of letters from Trigg and also from Yates.

MR. NUTTER: These have been identified as Exhibits G and H. The other exhibits are A through F, so without objection, Kersey's, Yates's and Trigg's Exhibits A through H will be admitted in evidence.

(Whereupon Applicants' Exhibits A through H admitted in evidence.)

MR. NUTTER: Do you have anything further in this

case?

MR. KERSEY: I believe that's all for this case.

MR. NUTTER: Does anyone have anything they wish to offer in Case 3896? We will take the case under advisement.

I N D E X

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STATE OF NEW MEXICO)
) ss
 COUNTY OF BERNALILLO)

I, ADA DEARNLEY, Court Reporter, in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Proceedings before the New Mexico Oil Conservation Commission was reported by me, and that the same is a true and correct record to the best of my knowledge, skill and ability.

WITNESS my hand this 1st day of November, 1968.

Ada Dearnley
 Ada Dearnley

I do hereby certify that the foregoing is
 a correct record of the proceedings in
 the hearing held at the 3896
 hearing room on 10/23 1968
Adrian
 New Mexico Oil Conservation Commission

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

November 4, 1968

Mr. Harold Kersey
Kersey & Company
Post Office Box 316
Artesia, New Mexico 88210

Dear Sir:

Enclosed herewith is Commission Order No. R-3553, entered in Case No. 3896, approving the Trigg Turkey Track Sivley Waterflood Project, the Kersey & Hanson Turkey Track YD Waterflood Project, the Yates Turkey Track YD Waterflood Project, and the Kersey & Hanson Turkey Track Denton Waterflood Project.

Injection is to be through the one water injection well authorized for each project, each of which shall be equipped with cement-lined tubing set in a packer at approximately 1950 feet. The casing-tubing annulus of each well shall be loaded with an inert fluid and equipped with a pressure gauge to facilitate detection of leakage of the casing, tubing, or packer.

As to allowable, our calculations indicate that when all of the authorized injection wells have been placed on active injection, the maximum allowable which each project will be eligible to receive under the provisions of Rule 701-E-3 when the Southeast New Mexico normal unit allowable is 42 barrels per day or less is as follows:

Trigg Sivley Project:	168 Barrels
Kersey & Hanson Denton Project:	126 Barrels
Kersey & Hanson YD Project:	126 Barrels
Yates YD Project:	168 Barrels

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.

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

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Mr. Harold Kersey
Kersey & Company
Post Office Box 316
Artesia, New Mexico

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 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 the projects and the wells therein will be appreciated.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/DSN/1r

cc: Oil Conservation Commission Offices in Hobbs and Artesia, N.M.

Mr. D. E. Gray, State Engineer Office, Santa Fe, New Mexico

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. 3896
Order No. R-3553

APPLICATION OF KERSEY & HANSON,
YATES DRILLING COMPANY, AND JOHN
H. TRIGG FOR SEVERAL WATERFLOOD
PROJECTS, EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on October 23, 1968,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 4th day of November, 1968, 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 applicants, Kersey & Hanson, Yates Drilling
Company, and John H. Trigg, seek permission to institute four
cooperative waterflood projects in the Turkey Track Queen-
Grayburg Pool by the injection of water into the Queen formation
through four injection wells located in Sections 21 and 28, Town-
ship 18 South, Range 29 East, NMPM, Eddy County, New Mexico.

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

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

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CASE No. 3896
Order No. R-3553

(5) 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 applicants, Kersey & Hanson, Yates Drilling Company, and John H. Trigg, are hereby authorized to institute the four following cooperative waterflood projects in the Turkey Track Queen-Grayburg Pool by the injection of water into the Queen formation through the following-described wells in Township 18 South, Range 29 East, NMPM, Eddy County, New Mexico:

Kersey & Hanson Turkey Track Denton Waterflood Project

Injection well:

Kersey & Hanson Denton Well No. 1, Unit P, Section 21

Kersey & Hanson Turkey Track YD Waterflood Project

Injection well:

Kersey & Hanson YD Federal Well No. 2, Unit F, Section 28

Yates Turkey Track YD Waterflood Project

Injection well:

Yates Drilling Company YD Well No. 3, Unit B, Section 28

Trigg Turkey Track Sivley Waterflood Project

Injection well:

John H. Trigg Sivley Jennings Well No. 2, Unit L, Section 28

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

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CASE No. 3896

Order No. R-3553

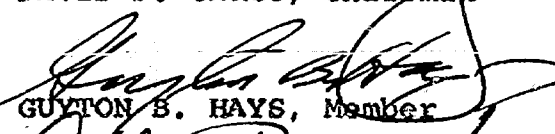
(3) That monthly progress reports of the waterflood projects herein authorized shall be submitted to the Commission in accordance with Rules 704 and 1120 of the Commission Rules and Regulations.

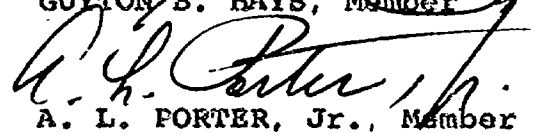
(4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

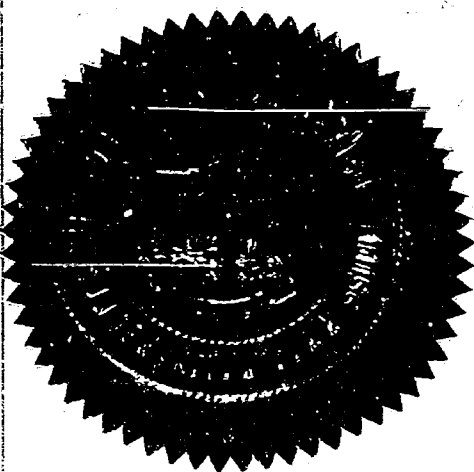
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


DAVID F. CARGO, Chairman


GUYTON B. HAYS, Member


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



esr/

ROUGH DRAFT FOR WATERFLOOD LETTERS

Mr. Harold Kersey
Kersey & Company
Post Office Box 316
Artesia, New Mexico 88210

Dear Sir:

Enclosed herewith is Commission Order No. R-3553, entered in Case No. 3896, approving the Trigg Turkey Track Sisley Waterflood Project, ~~Waterflood Project the Kersey & Hanson Turkey Track YD Waterflood Project, the Yates Turkey Track YD Waterflood Project and the Kersey & Hanson Turkey Track Danton Waterflood Project.~~

Injection ~~into~~ is to be through the one water injection well authorized for each project, ~~with~~ each of which shall be equipped with cement-lined tubing set in a packer at approximately 1950 feet. The casing-tubing annulus of each well shall be loaded with an inert fluid and equipped with a pressure gauge to facilitate detection of leakage ~~of the casing, tubing, or packer.~~

As to allowable, our calculations indicate that when all of the authorized injection 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 ~~barrels per day~~ when the Southeast New Mexico normal unit allowable is 42 barrels per day or less ~~is as follows:~~

Please report any error in ~~this~~ ^{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 ^{each} assigned to the 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 so informed as to the status of the projects and the wells therein will be appreciated.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

cc: OCC: Hobbs X
Artesia X
Aztec

USGS

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

Mr. D. E. Gray

→ Trigg Sisley Project: 168 barrels
Kersey & Hanson Danton Project: 126 barrels
Kersey & Hanson YD Project: 126 barrels
Yates YD Project: 168 barrels

Docket No. 31-68

DOCKET: EXAMINER HEARING - WEDNESDAY - OCTOBER 23, 1968

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 3894: Application of Signal Oil and Gas Company for a non-standard oil proration unit, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of a non-standard oil proration unit comprising the W/2 NE/4 and the N/2 SE/4 of Section 17, Township 10 South, Range 34 East, Vada-Pennsylvanian Pool, Lea County, New Mexico, said unit to be dedicated to its State AP Well No. 1 located 1980 feet from the South line and 660 feet from the East line of said Section 17.

CASE 3895: Application of Sun Oil Company for a pressure maintenance project, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pressure maintenance project in its New Mexico State "H" Lease by the injection of water into the San Andres formation through its New Mexico State "H" Well No. 13 located in the SE/4 SE/4 of Section 16, Township 8 South, Range 30 East, Cato-San Andres Pool, Chaves County, New Mexico. Applicant further seeks the promulgation of special rules to govern operation of said pressure maintenance project.

CASE 3887: (Continued from the October 9, 1968, Examiner Hearing)

Application of Kersey & Company for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the Premier sand of Grayburg formation through two wells to be located in Units E and K of Section 12, Township 18 South, Range 28 East, Artesia Pool, Eddy County, New Mexico. Applicant further proposes to produce oil from the Upper Grayburg through parallel strings of tubing, if said zones are productive in the subject wells.

CASE 3896: Application of Kersey & Hanson, Yates Drilling Company, and John H. Trigg for several waterflood projects, Eddy County, New Mexico. Applicants, in the above-styled cause, seek authority to institute several cooperative waterflood projects by the injection of water into the Queen and Grayburg formations through four injection wells located in Sections 21

CASE 3896 continued

and 28, Township 18 South, Range 29 East, Turkey
Track Queen-Grayburg Pool, Eddy County, New Mexico.

CASE 3897: Application of Kersey-Wittkopp and E. A. Hanson for two waterflood projects, Eddy County, New Mexico. Applicants, in the above-styled cause, seek authority to institute two cooperative waterflood projects by the injection of water into the Queen formation through two injection wells located in the NW/4 SE/4 and the SW/4 SE/4 of Section 6, Township 19 South, Range 31 East, Shugart Pool, Eddy County, New Mexico.

CASE 3898: Application of Tenneco Oil Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Queen formation in the open-hole interval from approximately 3258 feet to 3341 feet in its Ginsberg-Federal Well No. 6 located in Unit E of Section 31, Township 25 South, Range 38 East, Langlie-Mattix Field, Lea County, New Mexico.

CASE 3899: Application of Cities Service Oil Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the San Andres formation in the interval from approximately 4087 feet to 4176 feet in its State AD Well No. 8 located in Unit J of Section 22, Township 10 South, Range 32 East, Mescalero-San Andres Pool, Lea County, New Mexico.

CASE 3900: Application of Continental Oil Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle production from the Vacuum Wolfcamp Pool and the North Vacuum Abo Pool in the well-bore of its State H-35 Well No. 7 located 660 feet from the North line and 1780 feet from the East line of Section 35, Township 17 South, Range 34 East, Lea County, New Mexico.

CASE 3901: Application of Continental Oil Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Yates-Seven Rivers formations in the perforated interval from approximately 3330 feet to 3552 feet in its Lynn A-28 Well No. 6 located in Unit H of Section 28, Towns

(CASE 3901 continued)

23 South, Range 36 East, Jalmat Pool, Lea County, New Mexico.

CASE 3902: Application of Continental Oil Company for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pilot waterflood project by the injection of water into the Queen formation through its Stevens "B" Well No. 8 located in Unit A of Section 12, Township 23 South, Range 36 East, Langlie-Mattix Pool, Lea County, New Mexico.

CASE 3903: Application of Continental Oil Company for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the Delaware formation in the perforated intervals from approximately 4675 feet to 4765 feet in its Payne Well No. 11 and from 4666 feet to 4740 feet in its Payne Well No. 12 located 660 feet from the South line and 1650 feet from the West line of Section 30, 1935 feet from the North line and 2090 feet from the West line of Section 31, respectively, Township 26 South, Range 33 East, El Mar-Delaware Pool, Lea County, New Mexico.

CASE 3904: Application of Continental Oil Company for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pilot waterflood project by the injection of water into the Delaware formation through its Thompson Federal 19 Well No. 2 located in Unit F of Section 19, Township 26 South, Range 32 East, North Mason-Delaware Pool, Lea County, New Mexico.

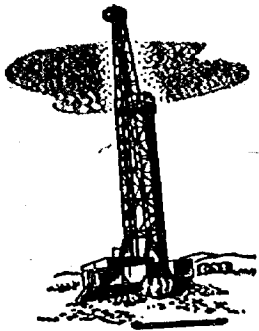
CASE 3905: Application of Texas Pacific Oil Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Devonian formation in the open-hole interval from approximately 12,269 feet to 12,541 feet in its State "O" Well No. 1 located in Unit J of Section 15, Township 10 South, Range 36 East, South Crossroads-Devonian Pool, Lea County, New Mexico.

- CASE 3906:** Application of Skelly Oil Company for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the Queen formation through its Mattix "A" Well No. 4 located in Unit K of Section 2, Township 24 South, Range 37 East, Langlie-Mattix Oil Pool, Lea County, New Mexico. Applicant further seeks a procedure whereby said project may be expanded administratively without a showing of well response.
- CASE 3907:** Application of Skelly Oil Company for a waterflood project, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pilot waterflood project by the injection of water into the San Andres formation through its Hobbs "W" Well No. 9 located in Unit F of Section 29, Township 7 South, Range 34 East, Chaveroo-San Andres Pool, Roosevelt County, New Mexico. Applicant further seeks a procedure whereby said project may be expanded administratively without a showing of well response.
- CASE 3908:** Application of Pan American Petroleum Corporation for salt water disposal, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the San Andres formation in the perforated interval from approximately 3932 feet to 4027 feet in its Miller Federal Well No. 4 located in Unit L of Section 35, Township 7 South, Range 31 East, Tom-Tom San Andres Pool, Chaves County, New Mexico.
- CASE 3909:** Application of Champlin Petroleum Company for salt water disposal, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into San Andres formation, Chaveroo-San Andres Pool, Roosevelt County, New Mexico, through the following two wells located in Township 7 South, Range 33 East:

Champlin Lauck-Federal Well No. 12,
Unit J of Section 29; Disposal Interval -
4202 feet to 4404 feet;

Champlin State 32-7-33 Well No. 5, Unit J
of Section 32; Disposal Interval - 4303
feet to 4425 feet.

- CASE 3910: Application of Atlantic Richfield Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Bough "C" zone of the Pennsylvanian formation underlying the SW/4 of Section 17, Township 10 South, Range 34 East, Vada-Pennsylvanian Pool, Lea County, New Mexico. Said acreage to be dedicated to a well located in the NE/4 SW/4 of said Section 17.
- CASE 3911: Application of Atlantic Richfield Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Bough "C" zone of the Pennsylvanian formation underlying the SE/4 of Section 8, Township 10 South, Range 34 East, Vada-Pennsylvanian Pool, Lea County, New Mexico. Said acreage to be dedicated to a well located in the NW/4 SE/4 of said Section 8. In the alternative applicant seeks approval of a non-standard oil proration unit comprising the E/2 SE/4 of said Section 8 and the W/2 SW/4 of Section 9, said Township and Range, said unit to be dedicated to a well to be drilled in the NE/4 SE/4 of said Section 8.
- CASE 3882: (Continued from the October 9, 1968, Examiner Hearing)
Application of Solar Oil Company for a special gas-oil ratio limitation, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 506 of the Commission Rules and Regulations to provide for a limiting gas-oil ratio of 6,000 cubic feet of gas per barrel of oil in the Teague Blinbry Pool, Lea County, New Mexico.
- CASE 3883: (Continued from the October 9, 1968, Examiner Hearing)
Application of Solar Oil Company for a special gas-oil ratio limitation, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 506 of the Commission Rules and Regulations to provide for a limiting gas-oil ratio of 6,000 cubic feet of gas per barrel of oil in the Imperial Tubb-Drinkard Pool, Lea County, New Mexico.



YATES DRILLING COMPANY
YATES BUILDING -- 207 SOUTH 4TH ST. -- DIAL 746.3558

ARTESIA, NEW MEXICO - 88210
October 16, 1968

S. P. YATES,
PRESIDENT

HUGH W. PARRY,
SEC. TREAS.

Case 3896

State of New Mexico
Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Attn: Secretary Director, Mr. A. L. Porter Jr.

Re: Kersey & Company Waterflood
Project Turkey Track Queen
Grayburg Field

Dear Sir:

Please regard this letter as support for Mr. Harold Kersey in his application dated October 1, 1968, for the installation of a waterflood project on certain oil and gas leases in Section's 21 and 28, Township 18 South, Range 29 East, Eddy County, New Mexico.

We have by copy of this letter also given Mr. Harold Kersey authority to represent Yates Drilling Company on the subject and case.

Sincerely,

Paul G. White
Paul G. White
Engineer

68 OCT 17 AM 10 31

PGW/gs

cc: Mr. Harold Kersey

KERSEY & COMPANY

DRILLING AND OIL PRODUCTION
Phone SH 6-3672 • P. O. Box 316 • 608 W. Grand
ARTESIA, NEW MEXICO 88210

October 1, 1968

Re: Water Flood Project,
Turkey Track Queen Grayburg Field

State of New Mexico
Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

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

Dear Sir:

It is respectfully requested that in order to promote conservation Kersey & Hanson, Yates Drilling Company, and John H. Trigg be given approval for the water flood project which includes the injection wells hereinafter listed.

This project will be a cooperative flood with each party injecting into his own well, producing his own oil and having an allowable based on his own total productive acreage.

A line drive pattern is projected, and later it may be developed further by additional injection wells.

It is proposed to use the produced Wolfcamp water of John H. Trigg from his well located in SE SE Section 20, T18S, R29E, This will be supplemented with water from Double Eagle Corporation when it becomes available.

Hereinafter are listed the proposed injection wells:

John H. Trigg, Sivley Jennings #2, located in NW SW, Section 28, T18S, R29.

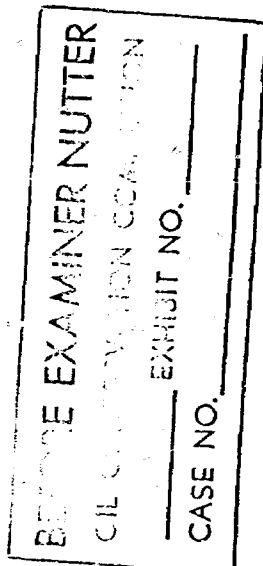
Kersey & Hanson Y. D. #2, located in SE NW, Section 28, T18S, R29E.

Yates Drilling Company Y. D. #3, located in NW NE Section 28, T18S, R29E.

Kersey & Hanson Denton #1, located in SE SE Section 21, T18S, R29E.

Exhibit "A" shows the area and wells within 2 mile radius of the proposed flood.

Exhibit "B" shows in detail the proposed flood.



October 1, 1968
Page 2
Oil Conservation Commission

Exhibit "C", "D", "E", and "F" shows how each injection well is to be completed.

Copies of this application and attachments will be sent to all offset operators as listed below, and also to the U.S.G.S. office.

The operators constituting this cooperative flood will upon approval of the flood immediately notify the New Mexico Oil Conservation Commission of injection operations and abide by the rules and regulations as set out in the Order and will also file and maintain accurate records as required by the New Mexico Oil Conservation Commission.

Yours very truly,

KERSEY & COMPANY

Harold Kersey

Harold Kersey

HK:cg

CC: U.S.G.S.
Bond Operating Company
Gordon M. Cone
Yates Drilling Company

R.29E.

	1		Kersey & Hanson		1-A Kersey
	1	2	1	1	2
	1	1	2	1	2
Trigg	1	2	2	4	2-A
1	1	2	1		
2	2	1			
3	4				

T. 18 S

A portion of Turkey Track Queen field
Eddy County, N. Mex.

Injection Well

Exhibit "B"

EXAMINED	INITIALS
app.	NO. 13
CASE NO.	3896

EXHIBIT NO. C-D-E-F
 CASE NO. 3896

Exhibit "C"
 Kersey - Hanson
 Y.D. #2

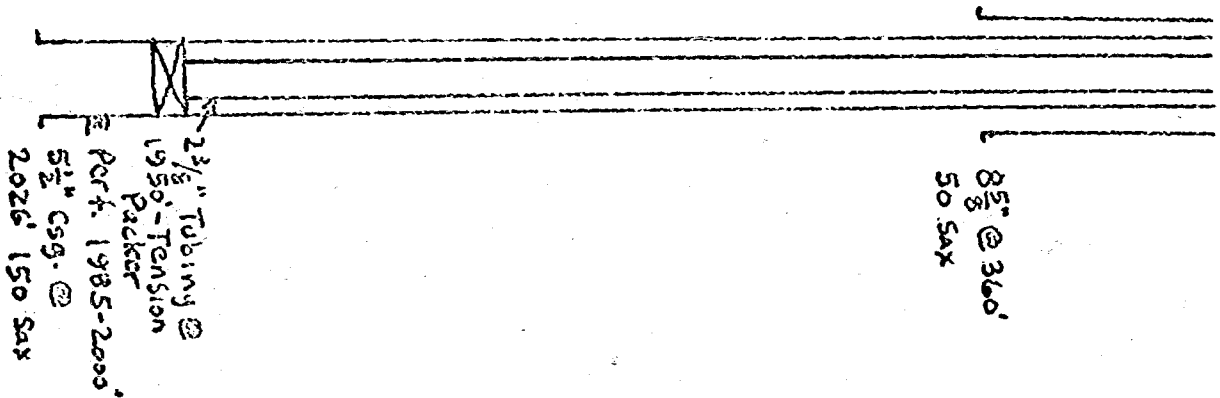


Exhibit "D"
 Yates Drilling Co.
 Y.D. #3

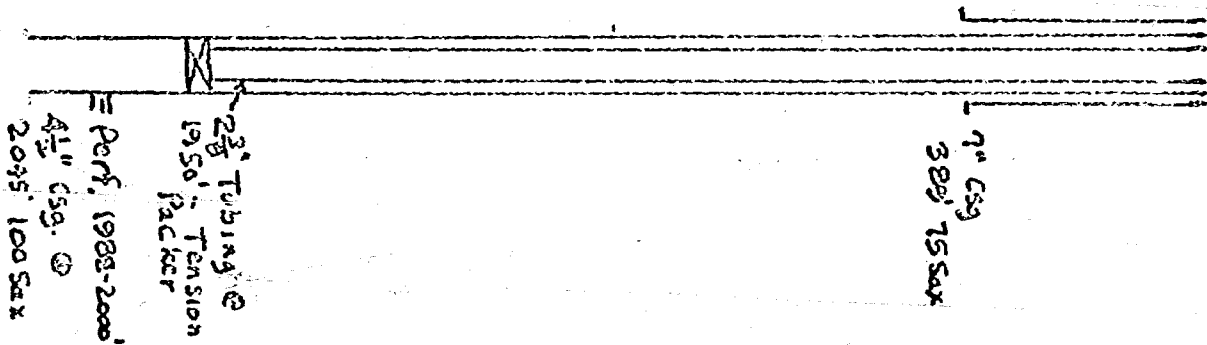


Exhibit "E"
 Kersey - Hanson
 Denton #1

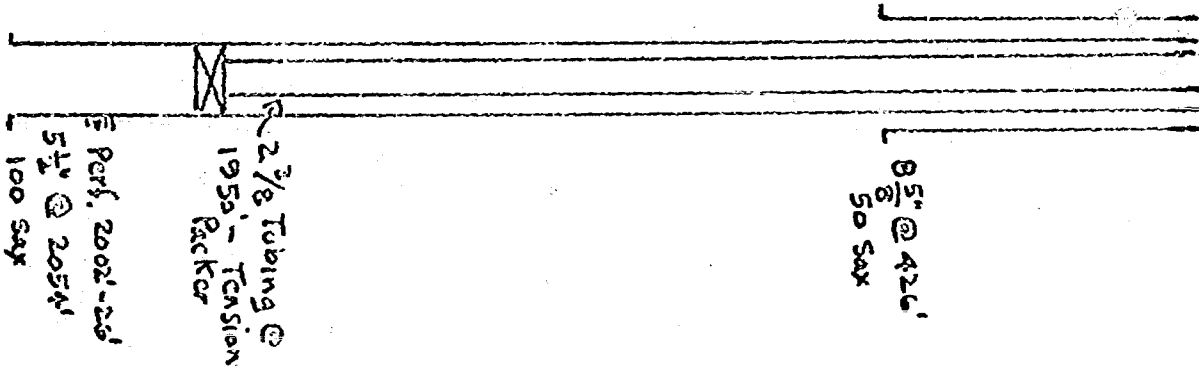
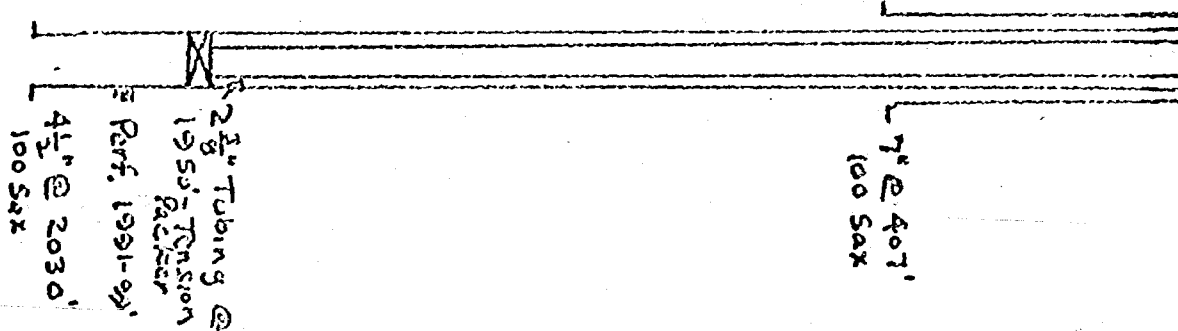
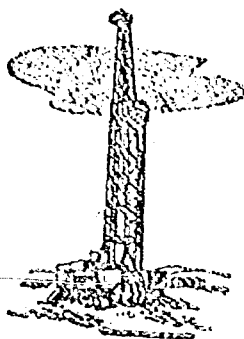


Exhibit "F"
 John H. Terry
 Sully-Jennings #2





YATES DRILLING COMPANY

YATES BUILDING -- 207 SOUTH 4TH ST. -- DIAL 746-5132

ALBUQUERQUE, NEW MEXICO -- 88210

October 16, 1968

S. P. YATES,
PRESIDENT

HUGH W. FARRY,
SEC. - YATES.

State of New Mexico
Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Attn: Secretary Director, Mr. A. L. Porter Jr.

Re: Kersey & Company Waterflood
Project Turkey Track Queen
Grayburg Field

Dear Sir:

Please regard this letter as support for Mr. Harold Kersey in his application dated October 1, 1968, for the installation of a waterflood project on certain oil and gas leases in Section's 21 and 28, Township 18 South, Range 29 East, Eddy County, New Mexico.

We have by copy of this letter also given Mr. Harold Kersey authority to represent Yates Drilling Company on the subject and case.

Sincerely,

Paul G. White

Paul G. White
Engineer

PGW/ga

cc: Mr. Harold Kersey

BEFORE EXAMINER NUTTER

OIL CONSERVATION COMMISSION

App. EXHIBIT NO. G
CASE NO. 3896

JOHN H. TRIGG COMPANY
P. O. BOX 520
ROSWELL, NEW MEXICO 88201

October 15, 1968

Mr. Harold Kersey
Kersey and Company
P. O. Box 316
Artesia, New Mexico 88210

Re: Water Flood Project
T18S-R29E
Eddy County, New Mexico

Dear Mr. Kersey:

This letter will serve as your authority to represent our
Company at the hearing to be held in Santa Fe on October
23, regarding the West Turkey Track Water Flood Project.

Very truly yours,

Dick Waggoner

R. W. Waggoner
Executive Assistant
to John H. Trigg

mf

RECEIVED
OCT 21 1968
FILE NO. H
3896

KERSEY & COMPANY

DRILLING AND OIL PRODUCTION
Phone SH 6-3671 • P. O. Box 316 • 808 W. Grand
ARTESIA, NEW MEXICO 88210

October 1, 1968

Re: Water Flood Project,
Turkey Track Queen Grayburg Field

State of New Mexico
Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

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

Dear Sir:

It is respectfully requested that in order to promote conservation Kersey & Hanson, Yates Drilling Company, and John H. Trigg be given approval for the water flood project which includes the injection wells hereinafter listed.

This project will be a cooperative flood with each party injecting into his own well, producing his own oil and having an allowable based on his own total productive acreage.

A line drive pattern is projected, and later it may be developed further by additional injection wells.

It is proposed to use the produced Wolfcamp water of John H. Trigg from his well located in SE SE Section 20, T18S, R29E. This will be supplemented with water from Double Eagle Corporation when it becomes available.

Hereinafter are listed the proposed injection wells:

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Kersey & Hanson Y. D. #2, located in SE NW, Section 28, T18S, R29E.

Yates Drilling Company Y. D. #3, located in NW NE Section 28, T18S, R29E.

Kersey & Hanson Denton #1, located in SE SE Section 21, T18S, R29E.

Exhibit "A" shows the area and wells within 2 mile radius of the proposed flood.

Exhibit "B" shows in detail the proposed flood.

October 1, 1968
Page 2
Oil Conservation Commission

Exhibit "C", "D", "E", and "F" shows how each injection well is to be completed.

Copies of this application and attachments will be sent to all offset operators as listed below, and also to the U.S.G.S. office.

The operators constituting this cooperative flood will upon approval of the flood immediately notify the New Mexico Oil Conservation Commission of injection operations and abide by the rules and regulations as set out in the Order and will also file and maintain accurate records as required by the New Mexico Oil Conservation Commission.

Yours very truly,

KERSEY & COMPANY

Harold Kersey
Harold Kersey

HK:cg

CC: U.S.G.S.
Bond Operating Company
Gordon M. Cone
Yates Drilling Company

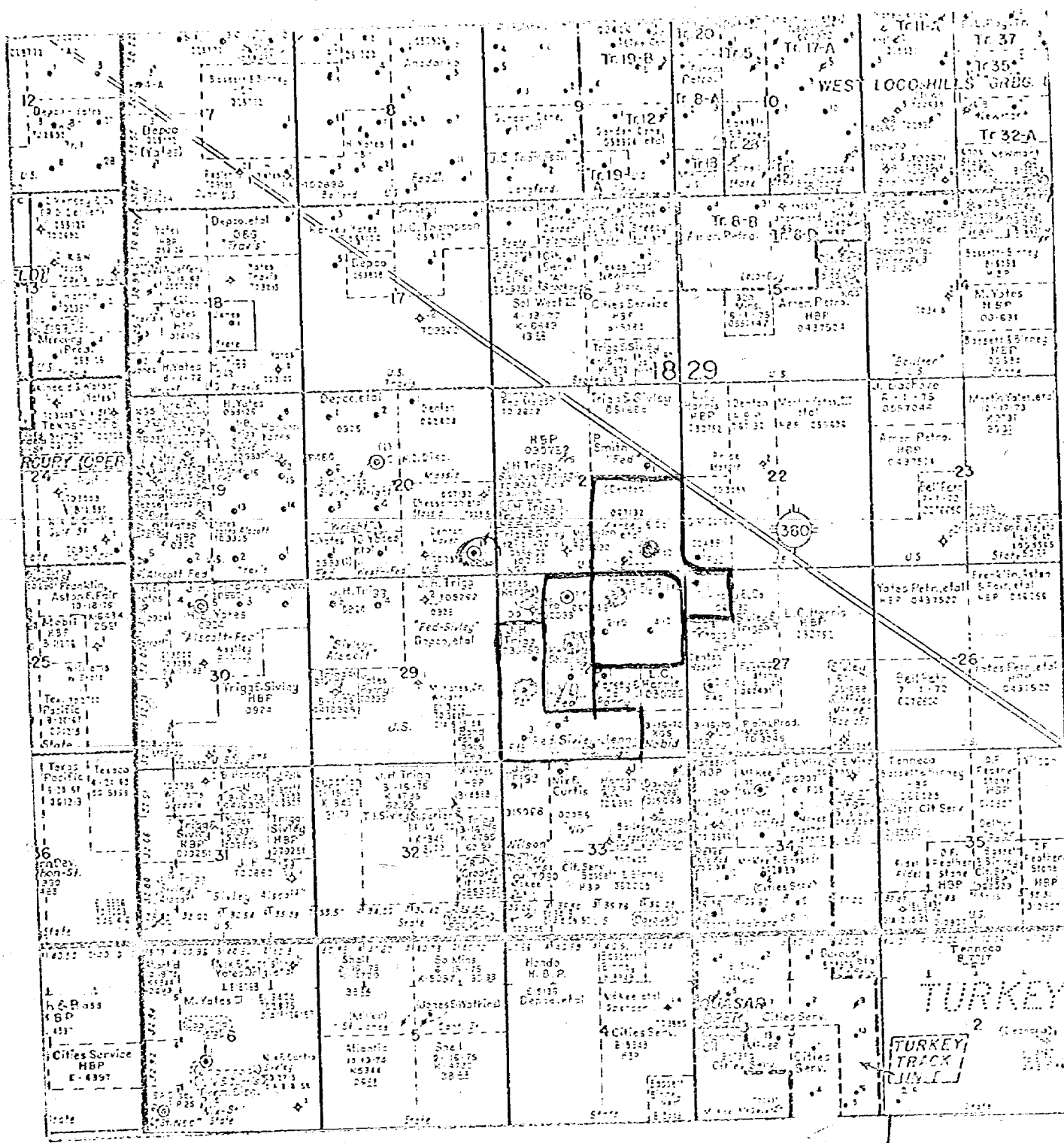
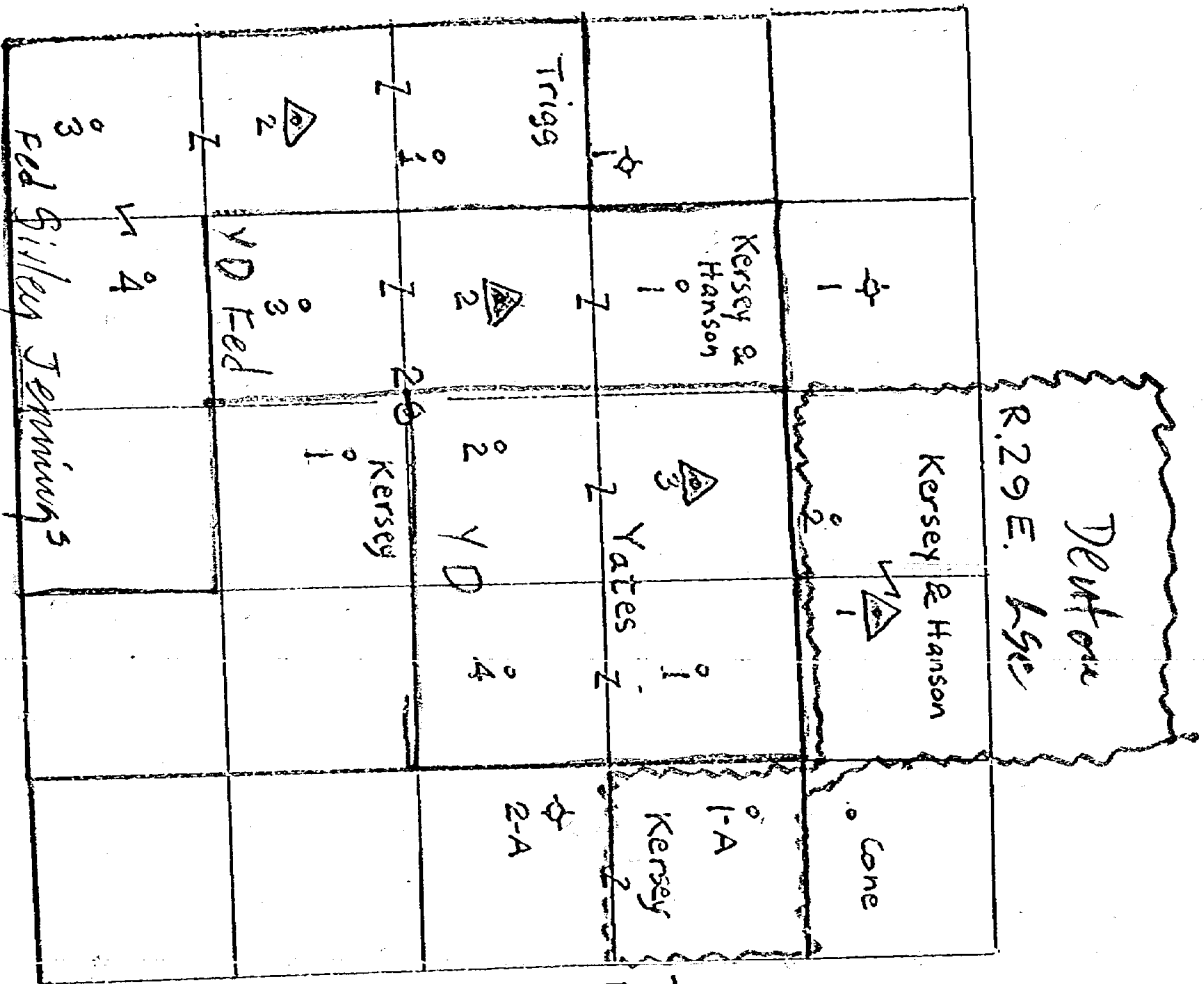


EXHIBIT "A"

Shows proposed Flood Area and other wells within
2 mile radius.

Trigg 1 inj 40 3 prod 40's
Kersey Denton 1 inj 40 2 prod 40's
Hanson YD 1 inj 40 2 prod 40's
Yates YD 1 inj 40 3 prod 40's

42
4
168
42
3
126



A portion of Turkey Track Queen field
 Eddy County, N. Mex.
 Injection Well
 Exhibit "B"

8 5/8" @ 360'
50 Sax

7" CSJ
333' 75 Sax

8 5/8" @ 420'
50 Sax

7" @ 401'
100 Sax

2 3/8" Tubing @
1950' Tension
Packer
Perf. 1985-2000'
5 1/2" CSJ @
2026' 150 Sax

2 3/8" Tubing @
1950' Tension
Packer
Perf. 1988-2000'
4 1/2" CSJ @
2095' 100 Sax

2 3/8" Tubing @
1950' Tension
Packer
Perf. 2002-206'
5 1/2" @ 2054'
100 Sax

2 3/8" Tubing @
1950' Tension
Packer
Perf. 1991-99'
4 1/2" @ 2030'
100 Sax

Exhibit "C"
Kersey - Hanson
Y.D. #2

Exhibit "D"
Yates Drilling Co.
Y.D. #3

Exhibit "E"
Kersey - Hanson
Denton #1

Exhibit "F"
John H. Trigg
Stucky-Jennings #2

KERSEY & COMPANY
DRILLING AND OIL PRODUCTION
Phone SH 6-3671 • P. O. Box 316 • 808 W. Grand
ARTESIA, NEW MEXICO 88210

October 1, 1968

Case 3896

Re: Water Flood Project,
Turkey Track Queen Grayburg Field

State of New Mexico
Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

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

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Exhibit "A" shows the area and wells within 2 mile radius of the proposed flood.

Exhibit "B" shows in detail the proposed flood.

DOCKET MAILED

Date 10-11-68

October 1, 1968
Page 2
Oil Conservation Commission

Exhibit "C", "D", "E", and "F" shows how each injection well is to be completed.

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Yours very truly,

KERSEY & COMPANY

Harold Kersey
Harold Kersey

HK:cg

CC: U.S.G.S.
Bond Operating Company
Gordon M. Cone
Yates Drilling Company

R.29E.

	1 1	Kersey & Hanson 2	1 1	1-A Kersey 2
	1 1 Kersey & Hanson	2 3 Yates	1 1 Z	18 Kersey 2-A
Trigg	1 1 Z	2 2 Kersey	2 4	5
2 Z	3 3	1 1		
3 3	4 4			

A portion of Turkey Track Queen field
Eddy County, N. Mex.

Injection Well

Exhibit "B"

8 5/8" @ 360'
50 Sx

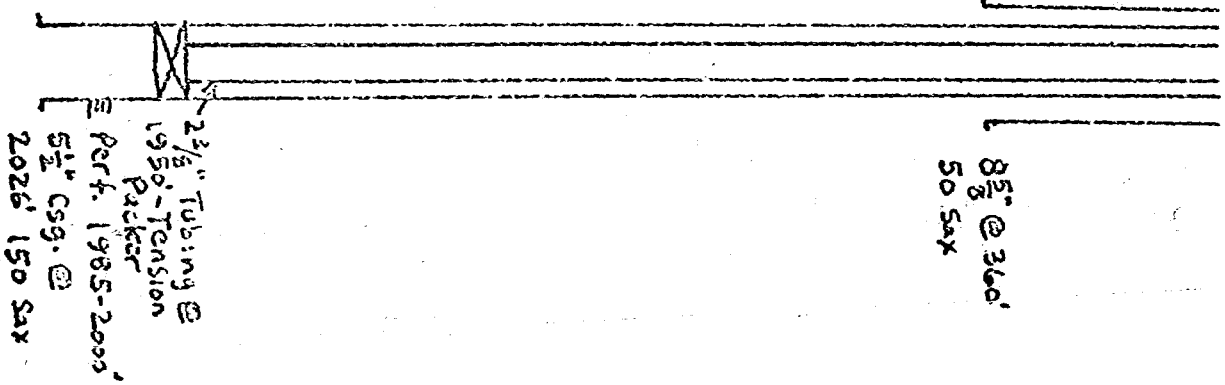


Exhibit "C"
Kersey - Hanson
Y.D. #2

7" CSg
389' 75 Sx

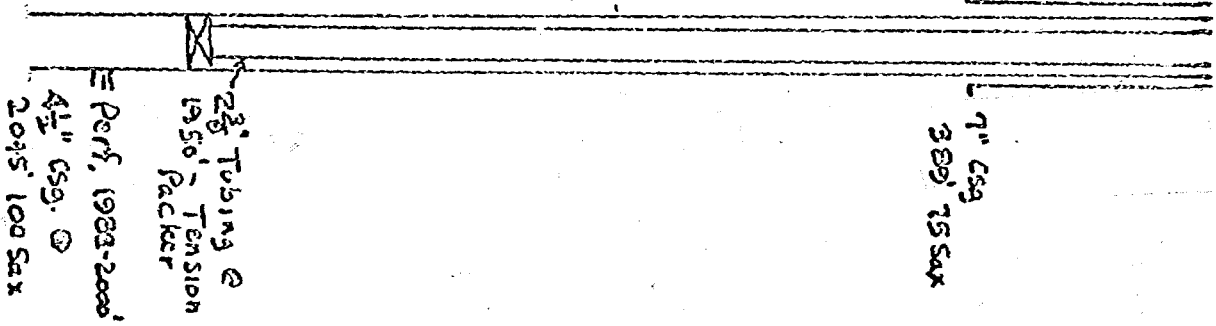


Exhibit "D"
Yates Drilling Co.
Y.D. #3

8 5/8" @ 420'
50 Sx

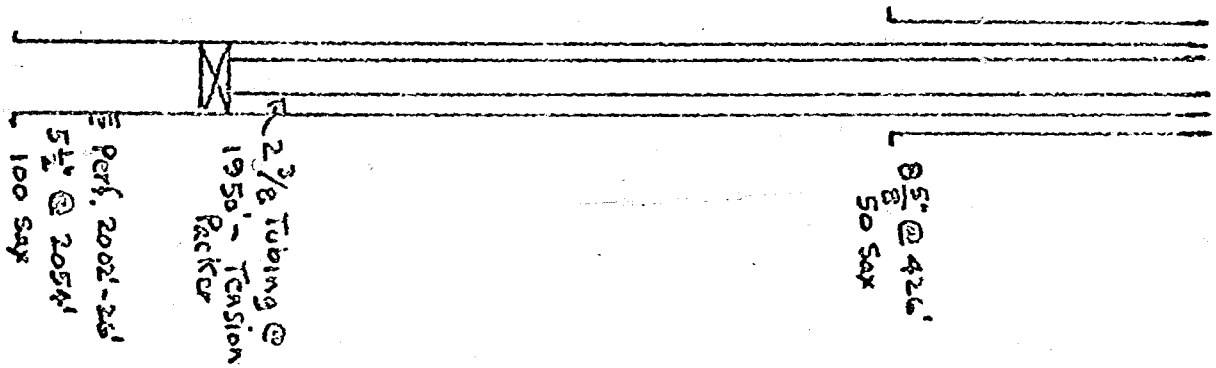


Exhibit "E"
Kersey - Hanson
Denton #1

7" @ 407'
100 Sx

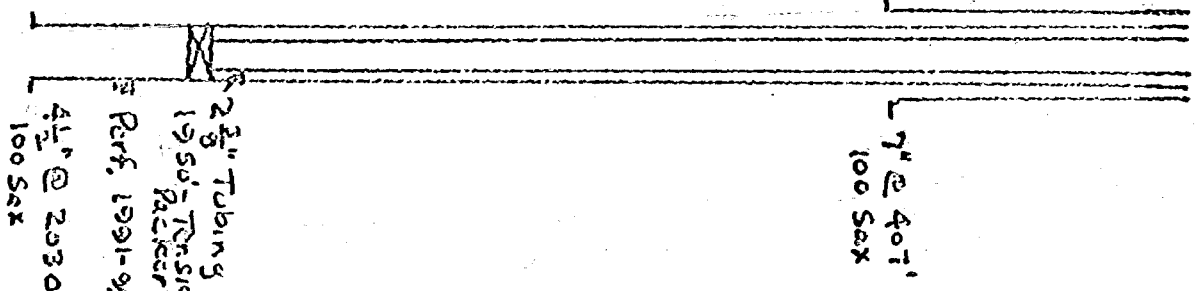


Exhibit "F"
John H. Trigg
Sully-Jennings #2

DRAFT

GMH/esr
(4)

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. 3896

Order No. R-353

APPLICATION OF KERSEY & HANSON,
YATES DRILLING COMPANY, AND JOHN
H. TRIGG FOR SEVERAL WATERFLOOD
PROJECTS, EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on October 23, 1968, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this Nov day of Nov, 1968, 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 applicants, Kersey & Hanson, Yates Drilling Company, and John H. Trigg, seek permission to institute ~~three~~ ^{four} cooperative waterflood projects in the Turkey Track Queen-Grayburg Pool by the injection of water into the Queen and ~~Grayburg~~ ^{Grayburg} formations through four injection wells located in Sections 21 and 28, Township 18 South, Range 29 East, NMPM, Eddy County, New Mexico.

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

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

(5) 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 applicants, Kersey & Hanson, Yates Drilling Company, and John H. Trigg, are hereby authorized to institute the following cooperative waterflood projects in the Turkey Track Queen-Grayburg Pool by the injection of water into the Queen and Grayburg formations through the following-described wells in Township 18 South, Range 29 East, NMPM, Eddy County, New Mexico:

~~Trigg, Kersey & Hanson Turkey Track Denton unit waterflood Project~~

Injection well:

~~John H. Trigg, Sibley Jennings, Denton Well No. 2, Unit 28~~
Kersey and Hanson Denton Well No. 1, Unit P, Section 28

~~Kersey & Hanson Turkey Track YD waterflood Project~~

Injection well:

Kersey & Hanson YD Denton Well No. 2, Unit F, Section 28

~~Yates Turkey Track YD waterflood Project~~

Injection well:

Yates Drilling Company YD Well No. 3, Unit B, Section 28

~~Trigg Turkey Track Sibley Jennings waterflood Project~~

~~John H. Trigg, Sibley Jennings Well No. 2, Unit, Section 28~~

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

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

-3-

CASE No. 3896

(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.