

CASE 4096: Application of KERSEY  
& COMPANY FOR A WATERFLOOD  
PROJECT, EDDY COUNTY, N. MEX.

For  
R.D. Collier  
(Operator)

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Case Number.

41096

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Application

Transcripts.

Small Exhibits

ETC.

dearnley-meier reporting service, inc.

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

1120 SIMMS BLDG. • P. O. BOX 1092 • PHONE 243-6491 • ALBUQUERQUE, NEW MEXICO



BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
April 23, 1969

EXAMINER HEARING

IN THE MATTER OF:

Application of Kersey and  
Company for a waterflood  
project, Eddy County, New  
Mexico

Case No. 4096

BEFORE: Elvis A. Utz, Examiner.

TRANSCRIPT OF HEARING

MR. UTZ: Case No. 4096.

MR. HATCH: Application of Kersey and Company for a waterflood project, Eddy County, New Mexico. If the Examiner, please, I believe this is the application of R. D. Collier, and I think that Mr. Collier wants to amend the application at this time.

(Witness sworn)

MR. HATCH: Are you Mr. R. D. Collier?

MR. COLLIER: Yes, sir.

MR. HATCH: Are you the owner of the property described here?

MR. COLLIER: That's right.

R. D. COLLIER

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

DIRECT EXAMINATION

BY MR. UTZ:

Q Actually, this is the application by Harold Kersey.

A For me.

Q For R. D. Collier; and the letter states that Harold Kersey is a partner; is that correct?

A No; he doesn't have any interest. He

just did the engineering for me.

MR. HATCH: Mr. Collier, do you have some exhibits that you want to introduce?

MR. COLLIER: Yes.

(Whereupon, Applicant's Exhibits A, B, C and D were marked for identification.)

MR. UTZ: YOU MAY PROCEED.

MR. COLLIER: I've been in Artesia since '39, in the supply and drilling business -- attended Texas Tech a few years, during the depression -- in the thirties. And I've had production of my own, and runned and drilled it for the past twenty -- twenty-five years, and I've got four exhibits here, for a partial five-spot pattern for waterflood and also saltwater injection that I am interested in -- injecting saltwater here. Exhibit A is a plat of the area showing the adjoining operators, and the area to be flooded with the injection. Exhibit B and C are the schematics of each proposed injection well, and how it's to be completed. Now, Stake Number six has eight-and-five-eighths and 410 feet and no cement. It's in the northeast of the northwest Section 25. Seven at eight-eighteenths,

cement circulated. I want to flood the Seven Rivers, and I propose to run two and three-eighths tubing cement line to 700, with a tension packer, and put fluid on top of the packer and inhibit the corrosion. The pay is an open hole at eight-twenty-eight to eight-thirty-one. Stake Number four has eight and five-eighths casing at 340 and no cement; northeast to the northwest of Section 25, and four and-a-half-inch casing at 843 with cement circulated. The pay is from 812 to 816. The total depth is 854; supposed to run 700 feet at two and three-eighths cement behind tubing, with a packer, with fluid above the packer inhibited. Stake Number three, has eight and five-eighths at 325 -- no cement; southeast of the northwest of Section 25 -- seven-inch casing at 765 with fifty sacks. Estimated cement top is 265 feet from the surface; proposed to run 700 feet at two and three-eighths cement line with tension packer and inhibit fluid above the packer. Oil is -- pay is 793 to 799, an open hole. Now, this is an open hole that we've tried to recomplete. There is a water line across the lease to furnish water, and, of course, also, we want to inject this saltwater that we haul. We want to make a saltwater injection. We are going to use all of that we can. In

other words, the disposal of produced water on other leases. I propose to inject, approximately, a hundred barrels of water a day in these wells, in this way.

MR. UTZ: All four wells?

A Yes -- did I give you four wells? Let's see. And then, Stake Number eight; it's an old well to be opened up with seven-inch at 350, with 500 sacks of cement -- I don't understand that; it's an old well. I think it must have -- I think it ought to have cement 150 feet from the surface -- estimated four-and-a-half feet and 850 with seventy-five sacks; estimated top of cement is about 500 feet from the surface. I want to run two and three-eighths inch tubing line in it -- on a tension packer, and inhibit the fluid above the packer. I think that about covers it.

MR. UTZ: Mr. Collier, what type tubing do you intend to put in these wells?

A Just upset tubing -- just have it cement lined, probably; used tubing.

Q I see. And you are going to leave the annulus open or gauged?

A Well, I have an idea we will fill the annulus with something; you know.

Q I mean at the surface? Are you going to leave the surface open with a dial or --

A Yes, leave it open.

Q Or are you going to put a gauge on it?

A I'll just leave it open probably, with a valve -- I might put a gauge on it to see if we got any relief by it; probably will, and then take it off. -- have a valve.

Q Now, this injection is in Seven Rivers, alone; is it?

A Yes, sir. Now, there is, actually, there is -- they call Yates and Seven Rivers, but I don't know their two pays in there, but they are -- and it could be that if we drilled some more wells, we might accidentally get the other pay. They are fairly close together.

Q These wells that you are applying for here, you only have the Seven Rivers open?

A That's right.

Q All of these wells are in Section 25; is that right?

A Yes, sir.



Q Are there more than one of these wells in one forty-acre tract? Looks like there is.

A I believe there is; yes.

Q In other words, Unit C would have two wells in it?

A I believe that's right.

Q Would you happen to have the foot locations of those wells?

A No, I don't. I don't have it with me.

Q Well, can you furnish us with that information?

A Yes, sir.

Q Day before yesterday? Now, I've noticed that you have shown the west half of twenty-five, and the east half of twenty-six on this Exhibit A, does this all belong to you?

A It all belongs to me; I have the rights to, I believe, 1200 feet in there.

Q And it would be your intention to expand this flood area to the other area over here?

A Yes, sir.

Q To the other three quarters?

A Yes, sir.

Q How about the diagonal off-sets for this quarter section?

A To this quarter section where I have the injection wells?

Q Yes, sir. Are those wells producing?

A Just Donley, is the only one that has any producing in there out of this pay.

Q Now, where is the Donley?

A There right on the north and east; he has the diagonal and the --

Q I'm talking about the off-sets or the diagonal off-sets on your two leases here? On the east half of the twenty-six and the west half of the twenty-five? That's all.

A There is nobody with any shallow wells producing.

Q Are these wells producing in this section that you are requesting here?

A No, sir.

Q None of them?

A No, sir. They are all deep wells.

MR. UTZ: Any further questions of the

witness? You may be excused.

(witness excused)

MR. UTZ: Are there any statements? The  
case will be taken under advisement.

I N D E X

<u>WITNESS</u>	<u>PAGE</u>
R. D. COLLIER	
Direct Examination by Mr. Utz	2

<u>EXHIBIT</u>	<u>MARKED</u>	<u>OFFERED AND ADMITTED</u>
Applicant's A, B, C and D	3	3

STATE OF NEW MEXICO )  
COUNTY OF BERNALILLO ) SS

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

*CA Fenley*

CA FENLEY, COURT REPORTER

I do hereby testify that the foregoing is a complete record of the proceedings in the hearing held at San Antonio, Texas, on the 23rd day of June, 1969, before the New Mexico Oil Conservation Commission.

dearnley-meier reporting service, inc.

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

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BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION

Santa Fe, New Mexico

April 9, 1969

EXAMINER HEARING

IN THE MATTER OF:

Application of Kersey and  
Company for a water flood  
project, Eddy County,  
New Mexico.

Case 4096

BEFORE: DANIEL S. NUTTER, Examiner

TRANSCRIPT OF HEARING

MR. HATCH: Case 4096, application of Kersey and Company for a water flood project, Eddy County, New Mexico.

The Commission has received this morning a telephone call from Mr. Kersey requesting that the case be continued to April 23rd.

MR. NUTTER: Case 4096 will be continued to the Examiner Hearing at this same place at 9 o'clock A.M. April 23, 1969. We will case Case 4097.

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

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

*Samuel Mortelette*

I do hereby certify that the foregoing is  
 a complete record of the proceedings in  
 the Examiner hearing of Case No. 4096  
 heard by me on 4/9 1929

*[Signature]* Examiner  
 New Mexico Oil Conservation Commission



OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

May 20, 1969

Mr. R. D. Collier  
Kersey & Company  
Post Office Box 316  
Artesia, New Mexico 88210

C Dear Sir:

Reference is made to Commission Order No. R-3748 recently entered in Case No. 4096, approving the Collier State Aid Waterflood Project.

O Injection is to be through the four authorized water injection wells, each of which shall be equipped with cement-lined tubing set in a packer at approximately 700 feet. The casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge at the surface to facilitate detection of leakage in the casing, tubing, or packer.

P 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 168 barrels per day when the Southeast New Mexico normal unit allowable is 42 barrels per day or less.

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

In order that the allowable 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.

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

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Mr. R. D. Collier  
Kersey & Company  
Post Office Box 316  
Artesia, New Mexico 88210

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

ALP/DSH/ir

cc: Oil Conservation Commission offices in Hobbs and Artesia  
Mr. D. E. Gray, State Engineer Office, Santa Fe, New Mexico

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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. 4096  
Order No. R-3748

APPLICATION OF KERSEY & COMPANY  
FOR A WATERFLOOD PROJECT, EDDY  
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on April 23, 1969,  
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 5th day of May, 1969, the Commission, a  
quorum being present, having considered the testimony, the record,  
and the recommendations of the Examiner, and being fully advised  
in the premises,

FINDS:

- (1) That due public notice having been given as required by  
law, the Commission has jurisdiction of this cause and the subject  
matter thereof.
- (2) That the applicant, R. D. Collier, seeks permission  
to institute a waterflood project in the Aid (Yates-Seven Rivers)  
Pool by the injection of water into the Seven Rivers formation  
through four injection wells located in Units C, E, and F of  
Section 25, Township 17 South, Range 28 East, NMPM, Eddy County,  
New Mexico.
- (3) That the wells in the project area are in an advanced  
state of depletion and should properly be classified as "stripper"  
wells.
- (4) That the proposed waterflood project should result in  
the recovery of otherwise unrecoverable oil, thereby preventing  
waste.

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CASE No. 4096

Order No. R-3748

(5) That the subject application should be approved and the project 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, R. D. Collier, is hereby authorized to institute a waterflood project in the Aid (Yates-Seven Rivers) Pool by the injection of water into the Seven Rivers formation through the following-described wells in Section 25, Township 17 South, Range 28 East, NMPM, Eddy County, New Mexico:

R. D. Collier State Well No. 6 located in the NE/4 NW/4  
R. D. Collier State Well No. 4 located in the NE/4 NW/4  
R. D. Collier State Well No. 3 located in the SW/4 NW/4  
R. D. Collier State Well No. 3 located in the SE/4 NW/4  
(Formerly the Donnelly Drilling Company Welch & Yates State Well No. 1)

(2) That the subject waterflood project is hereby designated the Collier State Aid Waterflood Project and 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 project 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

  
ALEX J. ARMILLO, Member

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

  
esr/

Casa 4096

Heard 4-23-69

Rec. 4-29-69

Grant R. D. Collins permission  
to convert the following 4 wells  
to water injection wells.

All R. D. Collins -

Lt #6 C-25-17 S-28 E-P.O.D. reentry

L #4 C - - - - -

L #3 E - - - - -

L #8 F - - - - - P.O.A. reentry

The cement area requested  
is  $w/2$  sec. 25 + E/2 sec. 26.

All wells shall be tubed w/  
cement lined tubing + Caspider  
shall be under a packer set  
above the perforations or open  
hole in the S. P. for  
all annulus shall be filled  
w/ cement fluid w/ gauge at  
the surface. - P.O.A. water  
well be injected + Double  
Engle water will make up  
amount needed.

Shurtliff

ROUGH DRAFT FOR WATERFLOOD LETTERS

Mr. R. D. Collier  
Kersey & Company  
Post Office Box 316  
Artesia, New Mexico 88210

Dear Sir:

*Reference is made to* Commission Order No. R-3748 <sup>recently</sup>, entered in Case No. 4096, approving the Artesia State Aid Waterflood Project.

*Suggestion is to see through the four authorized water injection wells, <sup>each of</sup> which shall be equipped with cement-lined tubing set in a packer at approximately 700 feet. The casing-tubing annulus shall be loaded with an inert fluid and equipped with a pressure gauge at the surface to facilitate detection of leakage in 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 ~~124~~ <sup>128</sup> barrels per day when the Southeast New Mexico normal unit allowable is 42 barrels per day or less.

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

In order that the allowable 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 project 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

Docket No. 12-69

DOCKET: EXAMINER HEARING - WEDNESDAY - APRIL 23, 1969

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 4079: (Continued from the March 26, 1969, Examiner Hearing)  
Application of Robert B. Holt for the creation of a new pool, assignment of a discovery allowable, and the promulgation of special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new Middle Pennsylvanian oil pool for his Aztec State Well No. 2 located in Unit A of Section 26, Township 13 South, Range 32 East, Lea County, New Mexico, and for the assignment of an oil discovery allowable in the amount of approximately 48,715 barrels to said well. Applicant further seeks the promulgation of special pool rules for said pool, including a provision for 160-acre proration units and the assignment of 80-acre allowables.
- CASE 4106: Application of Southland Royalty 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 Permo-Pennsylvanian formation in the perforated interval from approximately 9485 feet to 9713 feet in its Guye Well No. 4 located in Unit F of Section 12, Township 11 South, Range 33 East, Inbe Permo-Pennsylvanian Pool, Lea County, New Mexico.
- CASE 4107: Application of Coastal States Gas Producing Company for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the West Sawyer-San Andres Pool, Lea County, New Mexico, including a provision for 80-acre spacing and proration units.
- CASE 4108: Application of Humble Oil & Refining Company for the rededication of acreage, Lea County, New Mexico. Applicant, in the above-styled cause, seeks to recomplete its New Mexico "V" State Well No. 5, a non-commercial Wantz-Abo oil producer, to a Tubb gas producer and to consolidate the 40 acres presently dedicated to said well with the 120 acres presently dedicated to its New Mexico "V" State Well No. 11, a Tubb gas producer, to form a standard 160-acre proration unit comprising the SW/4 of Section 10, Township 21 South, Range 37 East, Tubb Gas Pool, Lea County, New Mexico. Applicant further seeks authority to produce the allowable assigned to said unit from either of said wells in any proportion.
- CASE 4109: Application of Humble Oil & Refining Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the South Lea Unit Area comprising 8,324.16 acres, more or less, of State, Federal, and Fee lands in Township 26 South, Range 36 East, Lea County, New Mexico.



CASE 4110: Application of Atlantic-Richfield Company for a waterflood project and unorthodox injection well location, Eddy 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 one well to be drilled at an unorthodox location 100 feet from the North and West lines of Section 23, Township 18 South, Range 31 East, Shugart Pool, Eddy County, New Mexico.

CASE 4111: Application of Tenneco Oil Company for a dual completion and salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its Morton Federal Well No. 1, located in Unit A of Section 12, Township 9 South, Range 35 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Vada-Pennsylvanian Pool and the disposal of produced salt water through the intermediate casing-production casing annulus into the San Andres, Abo and possibly other formations in the open-hole interval from approximately 4050 feet to 8120 feet.

CASE 4112: Application of P-M Drilling 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 Delaware formation in the perforated interval from approximately 5062 feet to 5100 feet in its James Federal Well No. 1 located in Unit A of Section 35, Township 23 South, Range 32 East, Triste Draw-Delaware Pool, Lea County, New Mexico.

CASE 4113: Application of Texas Pacific Oil Company for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks to substitute its State "D" A/c-1 Well No. 1 located in Unit A of Section 2, Township 12 South, Range 33 East, in lieu of its State "C" A/c-1 Well No. 1 located in Unit B of said Section 2 as the producing well for the proration unit comprising the N/2 NE/4 of said Section 2, Bagley-Siluro-Devonian Pool, Lea County, New Mexico.

CASE 4114: Application of Gulf Oil Corporation for two unorthodox oil well locations and amendment to Order No. R-2729, Lea County, New Mexico. Applicant in the above-styled cause, seeks authority to drill two producing oil wells at unorthodox locations in Township 19 South, Range 35 East, as infill wells in the West Pearl Queen Unit Waterflood Project, Pearl Queen Pool, Lea County, New Mexico, said wells to be located as follows:

West Pearl Queen Unit Well No. 164 to be located 1325 feet from the North line and 2635 feet from the West line of Section 32;

West Pearl Queen Unit Waterflood Well No. 165 to be located 1420 feet from the South line and 1325 feet from the West line of Section 29;

(Case 4114 continued)

Applicant also seeks the amendment of Order No. R-2729, which order authorized the aforesaid waterflood project, to establish a procedure whereby additional injection wells and producing wells at unorthodox infill locations, as may be necessary to complete an efficient injection and producing pattern, may be approved administratively.

CASE 4115: Application of Southern Union Production Company for compulsory pooling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Dakota formation underlying the W/2 of Section 16, Township 29 North, Range 9 West, Basin-Dakota Pool, San Juan County, New Mexico. Said acreage to be dedicated to a well to be drilled at a standard location in the W/2 of said Section 16. Also to be considered will be the costs of drilling said well, a charge for the risk involved, a provision for the allocation of actual operating costs, and the establishment of charges for supervision of said well.

CASE 4116: Application of Tesoro Petroleum Corporation for the amendment of Order No. R-2797 and for the extension of the South Hospah-Upper Sand Pool, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-2797, which order approved the Hospah Unit Agreement, to delete from said unit agreement 233.87 acres in the Southeast portion of Section 1, Township 17 North, Range 9 West, McKinley County, New Mexico. Applicant also seeks the extension of the South Hospah-Upper Sand Pool to include a portion of the Southeast quarter of said Section 1.

CASE 4117: Application of Eastern Petroleum Company for special pool rules, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special rules for the Rattlesnake-Dakota Pool, San Juan County, New Mexico, permitting the drilling of wells on 2½-acre spacing provided that no well be located nearer than 50 feet to the outer boundary of the quarter-quarter section and no nearer than 165 feet to another well producing from the same pool, and provided further, that a 40-acre proration unit would be subject to a 40-acre allowable regardless of the number of wells on the unit.

CASE 4118: Application of Dugan Production Corporation for downhole commingling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle gas production from undesignated Fruitland and Pictured Cliffs gas pools in the well-bore of its Federal "I" Well No. 4, located in the NE/4 NW/4 of Section 1, Township 29 North, Range 14 West, San Juan County, New Mexico.

CASE 4096: (Continued from the April 3, 1969, 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 Seven Rivers formation through four wells located in Units C, D, and F of Section 25, Township 17 South, Range 28 East, Aid (Yates-Seven Rivers) Pool, Eddy County, New Mexico.

CASE 4078: (Continued from the April 9, 1969, Examiner Hearing)

Application of J. Gregory Merrion for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle production from the Devils Fork-Callup Pool and an undesignated Mesaverde oil pool in the wellbore of his NCRA State Well No. 3 located in Unit L of Section 16, Township 24 North, Range 6 West, Rio Arriba County, New Mexico.

Docket No. 10-69

DOCKET: EXAMINER HEARING - WEDNESDAY - APRIL 9, 1969

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 4092: Application of Phillips Petroleum Company for a capacity allowable, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the assignment of a capacity allowable to its U. S. Minerals Well No. 4 located in the SW/4 SE/4 of Section 30, Township 17 South, Range 33 East, Maljamar Grayburg-San Andres Pool, Lea County, New Mexico. Said well offsets a waterflood project operated by Cities Service Oil Company.
- CASE 4093: Application of BTA Oil Producers 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 intervals from approximately 12,240 feet to 12,275 feet in its State "E" Well No. 1 and from approximately 12,088 feet to 12,164 feet in its State "E" Well No. 2 located, respectively, in Units F and C of Section 5, Township 10 South, Range 36 East, adjacent to the West Crossroads-Devonian Pool, Lea County, New Mexico.
- CASE 4094: Application of Cayman Corporation for salt water disposal, Roosevelt 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 4184 feet to 4274 feet in its Hondo-State Well No. 1 located in Unit F of Section 31, Township 7 South, Range 33 East, Chaveroo-San Andres Pool, Roosevelt County, New Mexico.
- CASE 4095: Application of Tom Schneider for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Rustler formation in the perforated interval from approximately 1320 feet to 1340 feet in his SWD Well No. 1 located in Unit O of Section 16, Township 23 South, Range 36 East, Galmat Yates-Seven Rivers Pool, Lea County, New Mexico.
- CASE 4096: 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

(Case 4096 continued)

by the injection of water into the Seven Rivers formation through four wells located in Units C, D, and F of Section 25, Township 17 South, Range 28 East, Aid (Yates-Seven Rivers) Pool, Eddy County, New Mexico.

CASE 4097: Application of Western States Producing Company for a dual completion and salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its Smelting-State Well No. 1, located in Unit F of Section 9, Township 12 South, Range 34 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the East Bagley-Pennsylvanian Pool and the disposal of produced salt water through the intermediate casing-production casing annulus into the San Andres, Glorieta, Tubb, Abo, and possibly other formations in the interval from approximately 4199 feet to 8931 feet.

CASE 4098: In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Walter J. Nelson and all other interested parties to appear and show cause why the Walter J. Nelson Lee Burns "A" Well No. 1 located in Unit P of Section 31, Township 6 North, Range 8 East, Torrance County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 4078: (Continued from the March 26, 1969 Examiner Hearing) Application of J. Gregory Merrion for downhole commingling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle production from the Devils Fork-Gallup Pool and an undesignated Mesaverde oil pool in the well-bore of his NCRA State Well No. 3 located in Unit L of Section 16, Township 24 North, Range 6 West, Rio Arriba County, New Mexico.

**KERSEY & COMPANY**  
DRILLING AND OIL PRODUCTION  
Phone SH 4-3671 • P. O. Box 316 • 808 W. Grand  
ARTESIA, NEW MEXICO 88210

April 2, 1969

Re: Seven Rivers Flood  
Aid 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 in order to promote conservation, R. D. Collier, be given approval for the water flood project which includes the wells hereinafter listed.

A partial five spot pattern is projected and later it may be developed further by additional injection wells.

The water for injection is available from the Double Eagle Corporation whose line passes over the acreage involved.

Hereinafter are listed the proposed injection wells:

R. D. Collier State # 6 located in the NE NW of Section 25, T17S, R28E. This is a plugged well that will be used.

R. D. Collier State # 4 located in the NE NW of Section 25, T17S, R28E.

R. D. Collier State # 3, located in the SW NW of Section 25, T17S, R28E.

R. D. Collier State # 8 (new designation of number) located in the SE NW of Section 25, T17S, R28E. This is a plugged well that will be used.

Exhibit "A" shows the area and wells within a two mile radius of the proposed flood and the proposed injection wells.

Exhibit "B" and "C" shows how each injection well is to be completed.

*Formerly the  
Dunsmuir No. 3  
Wells & Yates State  
Well No 1*

BEFORE EXAMINER UTZ	
OIL CONSERVATION COMMISSION	
APPROX	EXHIBIT NO. <i>ED</i>
CASE NO. <i>11016</i>	

Page 2  
April 2, 1969  
Oil Conservation Commission

Copies of the application and attachments have been sent to the offset operators.

R. D. Collier will upon approval of the flood, immediately notify the New Mexico Oil Conservation Commission of injection operation 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,

R. D. Collier

By: *Harold Kersey*  
Harold Kersey

HK:mk

CC: Tom Donnelly  
Depco  
Humble Oil & Refining Co.

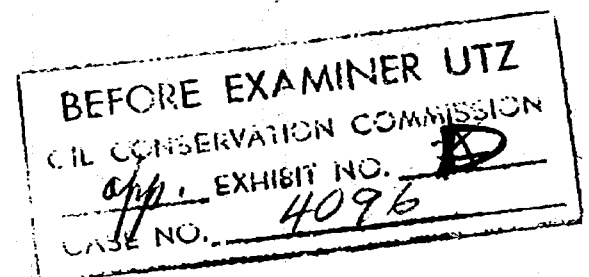


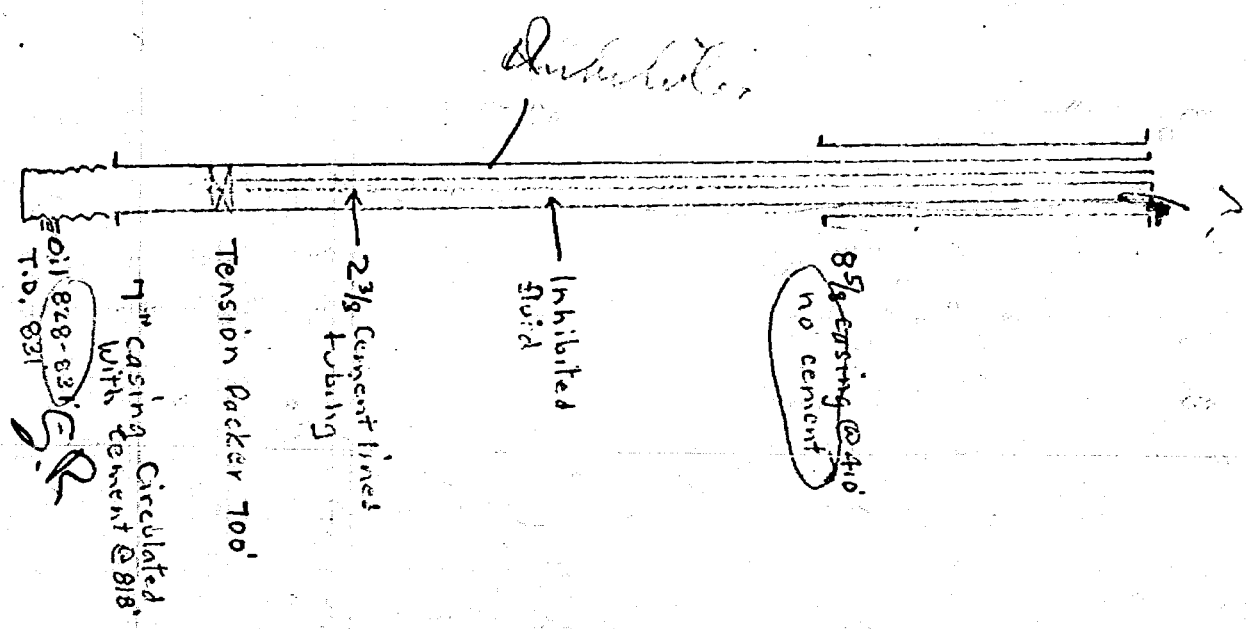




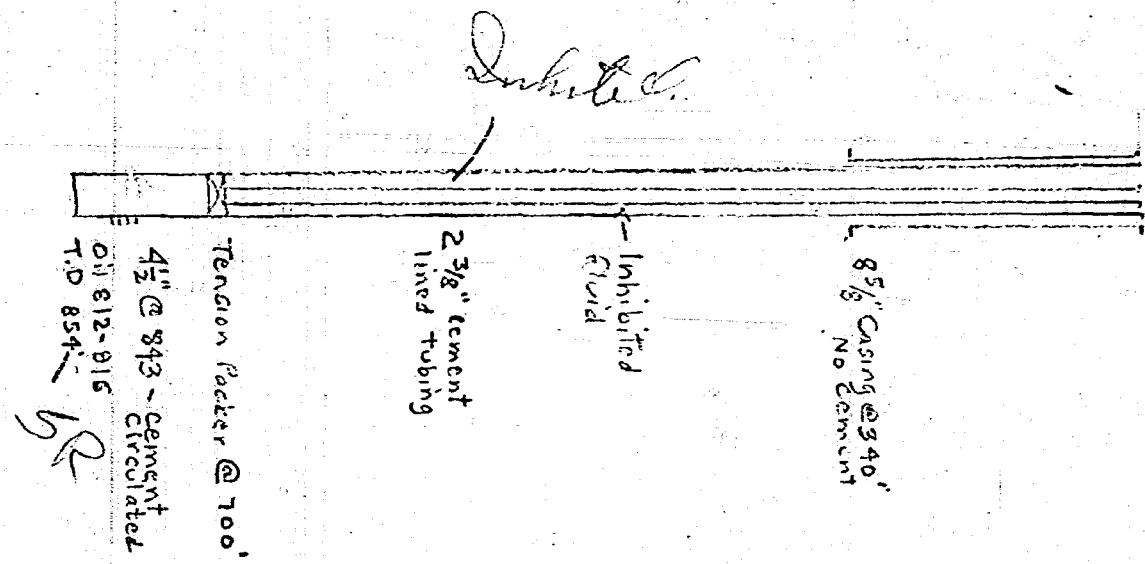
Exhibit "B"

R.D. Collier Flood  
Application  
4/9/69

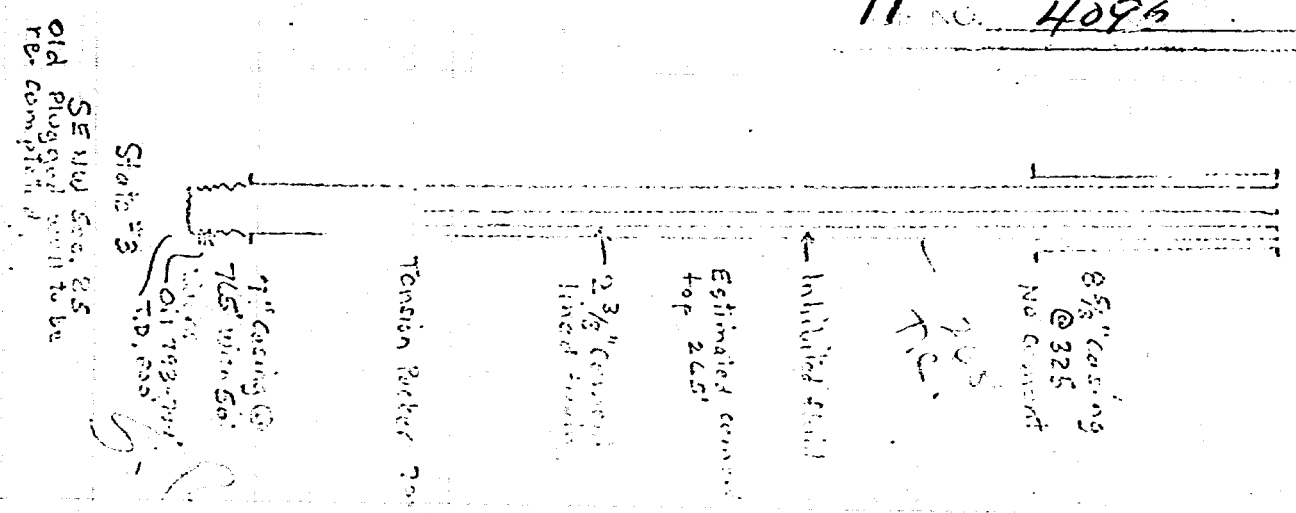
BEFORE EXAMINER UTZ  
APPLICANT'S EXHIBITION DIVISION  
App. NO. 4096  
EXHIBIT NO. B



State #6  
NE NW Sec 25



State #4  
NE NW Sec 25

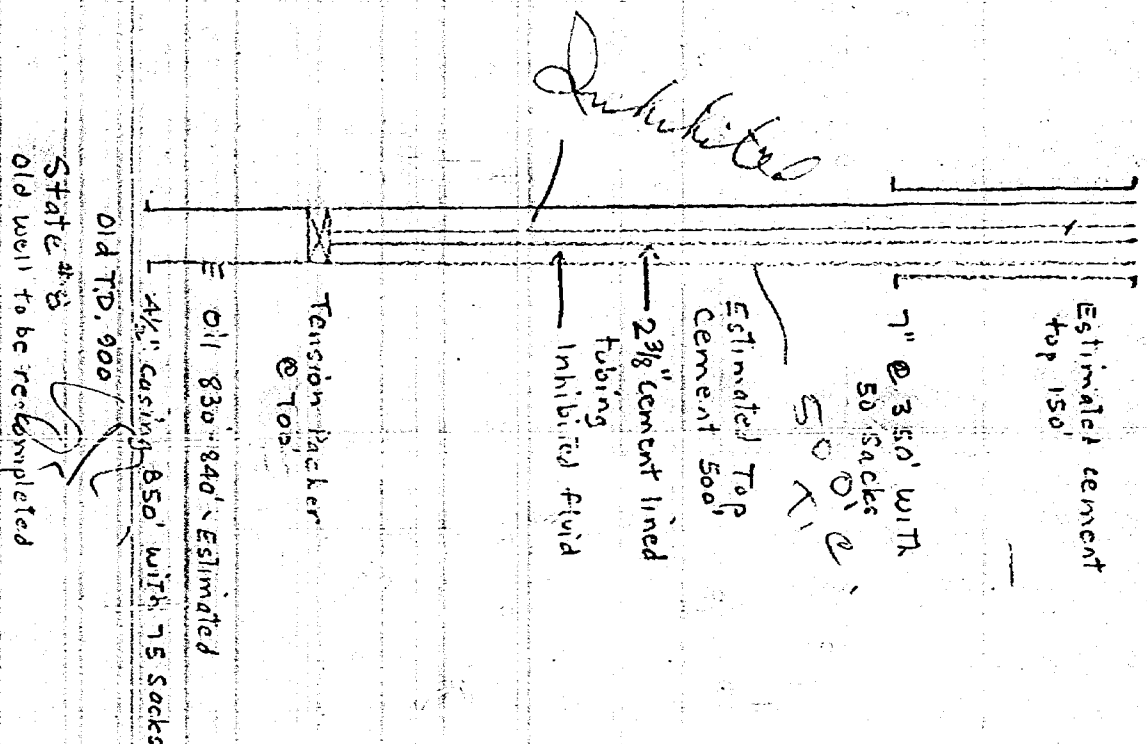


State #3  
SE NW Sec. 25  
Old plugged well to be re-completed

Exhibit "C"

*B. J. Smith*

R.D. Collier Flood  
Application  
4/9/69



EX-111-PR-UTZ  
app. 4096 (3)

**KERSEY & COMPANY**

DRILLING AND OIL PRODUCTION  
Phone 744-2671 • P. O. Box 316 • 348 W. Grand  
ARTESIA, NEW MEXICO 88210

April 30, 1969

MAY 8 17

Re: Seven Rivers Flood  
Aid Field  
R. D. Collier

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

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

Gentlemen:

Enclosed is the location of wells which were omitted  
in the waterflood application:

R. D. Collier, State #6, NE NW Section 25, T17S, R28E,  
2310' from West line, 330' from North line.

R. D. Collier, State #4, NE NW Section 25, T17S, R28E,  
1650' from West line, 990' from North line.

R. D. Collier, State #3, SW NW Section 25, T17S, R28E,  
1650' from North line, 990' from West line.

R. D. Collier, State #8, SE NW Section 25, T17S, R28E,  
1650' from North line, 2310' from West line.

Yours very truly,

R. D. COLLIER

*Harold Kersey*  
By: Harold Kersey

HK:cg

**KERSEY & COMPANY**  
DRILLING AND OIL PRODUCTION  
Phone SE 6-3671 • P. O. Box 316 • 808 W. Grand  
ARTESIA, NEW MEXICO 86210

March 18, 1969

69 MAR 20 AM 8 27

*Case 4096*

Re: Water Flood  
W/2 Section 25,  
E/2 Section 26,  
T17S, R28E,  
Eddy County, New Mexico

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

Gentlemen:

The undersigned requests a hearing to submit data, maps, and logs and other information for the purpose of securing permission to start a water flood in the Seven-Rivers formation in the above designated area.

Yours very truly,

R. D. Collier

*Harold Kersey*  
By Harold Kersey, Partner

HK:cg

12  
4 inj. wells -  
1 NE1/4 25  
2 SE1/4 25  
1 NW1/4 25  
- acid pool -

~~DOCKET LABEL~~

DOCKET MAILED

4-10-69

Date 3/27/69

DRAFT

GMH/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:

CASE No. 4096

Order No. R- 3748

APPLICATION OF KERSEY & COMPANY  
FOR A WATERFLOOD PROJECT, EDDY COUNTY,  
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on April 23, 1969,  
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this May day of April, 1969, the Commission, a  
quorum being present, having considered the testimony, the record,  
and the recommendations of the Examiner, and being fully advised  
in the premises,

FINDS:

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

(2) That the applicant, R. D. Collier  
Kersey & Company,  
seeks permission to institute a waterflood project in the Aid (Yates-Seven  
Unit Area, Rivers) Pool by  
the injection of water into the Seven Rivers formation  
located in Units C, 7, and F of  
through four injection wells in Section 25,  
Township 17 North, South, Range 28 West East, NMPM,  
Eddy County, New Mexico.

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

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

(5) That the subject application should be approved and the project 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, R. D. Callier  
Kersey & Company,  
is hereby authorized to institute a waterflood project in the  
Aid (Yates-Seven  
Rivers) Pool  
by the injection of water into the Seven Rivers formation  
Section 25,  
through the following-described wells in/Township 17  
~~North~~ South, Range 28 ~~West~~ East, NMPM, Eddy  
County, New Mexico:

*R. D. Callier State Well No. 6 located in the NE 1/4 NW 1/4  
R. D. Callier State Well No. 4 located in the NE 1/4 NW 1/4  
R. D. Callier State Well No. 3 located in the SW 1/4 NW 1/4  
R. D. Callier State Well No. 8 located in the SE 1/4 NW 1/4  
(Formerly the Dannelley Drilling Company  
Welch & Yates State Well No. 1)*

(2) That the subject waterflood project is hereby designated  
the Callier State Aid Waterflood Project and 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 project  
herein authorized shall be submitted to the Commission in accor-  
dance with Rules 704 and 1120 of the Commission Rules and Regula-  
tions.

(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.