

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. 1733
Order No. R-1470

APPLICATION OF KERSEY AND
COMPANY FOR AN ORDER AUTHORIZING
A WATER FLOOD PROJECT IN THE
ARTESIA POOL, EDDY COUNTY, NEW
MEXICO, FOR SEVERAL UNORTHODOX
LOCATIONS, AND FOR THE ESTABLISH-
MENT OF AN ADMINISTRATIVE PROCE-
DURE FOR THE CONVERSION OF ADDI-
TIONAL WELLS TO WATER INJECTION
AND FOR GRANTING CAPACITY ALLOW-
ABLES TO WELLS IN SAID PROJECT

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on August 5, 1959, at Santa Fe, New Mexico, before Elvis A. Utz, 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 20th. day of August, 1959, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, 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, Kersey and Company, proposes to institute a water flood in the Artesia Pool, with a project area consisting of its Twin Lakes lease comprising the SW/4 of Section 28, Township 18 South, Range 28 East, NMPM, Eddy County, New Mexico.
- (3) That initially the applicant proposes to inject water into the Grayburg formation in the Artesia Pool through the following-described wells on unorthodox locations in Section 28, Township 18 South, Range 28 East, NMPM, Eddy County, New Mexico:

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Well No. 8, located 2370 feet from the South line and 270 feet from the West line of said Section 28.

Well No. 4, located 2370 feet from the South line and 1324 feet from the West line of said Section 28.

Well No. 5, located 2370 feet from the South line and 2370 feet from the West line of said Section 28.

(4) That the applicant should install new casing in the above-described wells and cement the same to the surface, and should then pressure-test said casing to the hydrostatic head of the fluid column plus the maximum surface pressure to be used prior to putting said wells into operation.

(5) That there is no need for granting capacity allowables to any wells in said project at this time, but, as requested by applicant, an administrative procedure should be established whereby capacity allowables may be granted to wells in said project without notice and hearing when such wells have received a response to water injection enabling them to produce in excess of top unit allowable for the Artesia Pool.

(6) That, as requested by applicant, an administrative procedure should be established whereby approval may be granted for conversion of additional wells within said project to water injection when it is established to the satisfaction of the Secretary-Director that the proposed injection well has experienced a substantial response to water injection or is directly offset by a producing well which has experienced such response. Provided, however, that any such additional well which is administratively authorized for water injection should be equipped with new casing if pressure tests and/or inspection of the casing presently in such well indicate said casing is not serviceable for water injection purposes.

IT IS THEREFORE ORDERED:

(1) That Kersey and Company be and the same is hereby authorized to institute a water flood project in the Artesia Pool with a project area consisting of its Twin Lakes lease comprising the SW/4 of Section 28, Township 18 South, Range 28 East, NMPM, Eddy County, New Mexico, which shall hereinafter be described as the Twin Lakes Water Flood Project.

(2) That the applicant be and the same is hereby authorized to immediately convert for the purpose of water injection into the Grayburg formation in the Artesia Pool, the following-described

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wells, on unorthodox locations, in Section 28, Township 18 South, Range 28 East, NMPM, Eddy County, New Mexico:

Well No. 8, located 2370 feet from the South line and 270 feet from the West line of said Section 28.

Well No. 4, located 2370 feet from the South line and 1324 feet from the West line of said Section 28.

Well No. 5, located 2370 feet from the South line and 2370 feet from the West line of said Section 28.

(3) That the applicant be and the same is hereby required to install new casing in the three above-described injection wells and to cement the same to the surface, and shall then pressure-test said casing to the hydrostatic head of the fluid column plus the maximum surface pressure to be used, prior to putting said wells into operation.

(4) That an administrative procedure for the conversion of additional wells in said project area to water injection without notice and hearing, some of which may be on unorthodox locations, be and the same is hereby established.

PROVIDED HOWEVER, That in order for an additional well in said project to be eligible for administrative approval for conversion to water injection, it must be established to the satisfaction of the Secretary-Director of the Commission that the proposed water injection well has experienced a substantial response to water injection or is directly offset by a producing well which has experienced such response, and that the proposed injection well is located on a water injection pattern which will result in a thorough and efficient sweep of oil by the water flood.

PROVIDED FURTHER, That to obtain administrative approval for the conversion of any well to water injection, applicant shall submit to the Commission in triplicate a request for such administrative approval, setting forth therein all the facts pertinent to the need for conversion of additional wells to water injection, and attaching thereto Commission Form C-116, showing production tests of the affected well or wells both before and after stimulation by water flood. Applicant shall also attach plats of the water flood project area and immediate surrounding area, indicating thereon the owner of each lease and the location of all water injection wells and producing wells, and shall submit evidence that a copy of the application to convert additional wells to water injection has been sent to each operator offsetting the proposed injection well, and to the State Engineer.

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The Secretary-Director may, if in his opinion there is need for conversion of additional wells to water injection, authorize such conversion without notice and hearing, provided that no offset operator nor the State Engineer objects to the proposed conversion within fifteen (15) days. The Secretary-Director may grant immediate approval of the proposed conversion upon receipt of waivers of objection from all operators offsetting the proposed injection well and from the State Engineer.

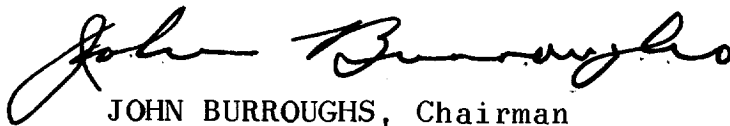
PROVIDED FURTHER, That any such well which is administratively authorized for water injection shall be equipped with new casing which shall be properly cemented and tested if pressure tests and/or inspection of the casing in the well prior to such conversion indicate said casing is not serviceable for water injection purposes.

(5) That the Proration Manager of the Commission be and the same is hereby authorized to assign an allowable equal to the well's ability to produce, for any well in the project area; provided, however, that no well shall receive an allowable greater than the top unit allowable for the Artesia Pool unless the ability of such well to produce in excess of such top unit allowable is based upon a response from water injection. In order to obtain such capacity allowables, the operator shall file Form C-116 showing the producing capacity of the wells for which such request is made.

(6) That monthly progress reports on the water flood project herein authorized shall be submitted to the Commission in accordance with Rule 704 and Rule 1119 of the Commission Rules and Regulations.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


JOHN BURROUGHS, Chairman

S E A L


MURRAY E. MORGAN, Member


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

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