

ERNEST A. HANSON
OIL OPERATOR
P. O. BOX 852 1515
ROSWELL, NEW MEXICO

Case 2768

January 31, 1963

New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Attention: Mr. Dan Nutter

Re: Request for Change in Nomenclature
Hanson & Kersey - #1 H. & K. Federal
SW $\frac{1}{4}$ NW $\frac{1}{4}$, Sec. 14, T. 17 S., R. 28 E.
Eddy County, New Mexico

Gentlemen:

Request is hereby made to include the captioned well in the Red Lake Field and to change the nomenclature of said field insofar as the NW $\frac{1}{4}$ of Sec. 14, T. 17 S., R. 28 E., Eddy County, New Mexico, is concerned to include the Queen Formation as a pool name (in addition to present Grayburg-San Andres).

This request is being made for the following reasons:

1. The captioned well has tested both Queen Formation and Grayburg Formation perforations, separately and together, with the result that the two tests are identical in the total amount of oil and gas that is produced.
2. Economically, it is not feasible to dual-complete this well in order to horizontally separate the Queen Formation from the Grayburg Formation. Neither formation produced separately in this well could return the investment in drilling and completion. The added expense of a packer, pump jack, string of rods, pump, separate separator and tank battery, line pipe and miscellaneous connections will necessarily force us to plug off the oil pay.
3. Because the Queen Formation is principally a gas pay zone and the Grayburg Formation is oil, the proration of the two zones can be separated automatically even though produced together as requested herein.

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ERNEST A. HANSON
OIL OPERATOR
P. O. BOX 852 1515
ROSWELL, NEW MEXICO

March 4, 1963

Oil Conservation Commission
State of New Mexico
P. O. Box 871
Santa Fe, New Mexico

Attention: Mr. Daniel S. Nutter

Re: Case No. 2768
Application of Hanson & Kersey
Special Nomenclature, Eddy County, N.M.
Docket, Examiner Hearing, March 7, 1963

Gentlemen:

In reply to your letter of February 28th on Case No. 2768, we think the suggested arrangement will be most satisfactory and have no objection to the change in procedure.

Yours very truly,

ERNEST A. HANSON



Harry F. Schram

HFS/rpd

cc: Mr. Harold Kersey
P. O. Box 316
Artesia, New Mexico

GOVERNOR
JACK M. CAMPBELL
CHAIRMAN

State of New Mexico
Oil Conservation Commission

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LAND COMMISSIONER
E. S. JOHNNY WALKER
MEMBER

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

P. O. DRAWER DD
ARTESIA, NEW MEXICO

February 21, 1963

Dan Nutter
Chief Engineer
NMOCC
P. O. Box 871
Santa Fe, New Mexico

NW 1/4 14
17 28

Re: Case 2768

Dear Dan:

Referring to Case No. 2768, in which E. A. Hanson seeks to have the Queen Formation added to the vertical limits of the Red Lake Pool, it would now appear that there would be no reason for the applicant to appear and present testimony. In going through our files, in preparation for the case, I have already found two nearby wells producing from the Queen and Grayburg Formations in the Red Lake Pool. These wells are: The N. Gordon Phillips, Keyes State, Well No. 2--H, located 1980 FNL, 660 FEL, Sec. 9-T17S-R28E. This well had shows as follows: Queen water 1130-45, Queen gas 1358-63, Queen oil 1407-21 and Grayburg oil 1713-24. The completion was from open hole 1223-1724. This well was completed October 2, 1938 at a total depth of 1724 feet. The second well is the S. P. Yates, State F, Well #3-E, located 2310 FNL, 990 FWL, Sec. 14-T17S-R28E. This well had shows as follows: Queen oil 1434-44, Grayburg oil 1912-26. The completion was from perforations 1434-44 and 1912-26. This well was completed May 24, 1959. Therefore, it appears that the thing the operator is requesting is now being done and has been done for a considerable length of time. In the light of the foregoing it could put the commission in the difficult position of forcing one operator to go the the expense of presenting a case to get benefits already enjoyed by other operators in the field.

A suggested alternative to hearing Case 2768 is as follows: Dismiss Case 2768, and advertise with the March regular nomenclature case the deletion of part of the Red Lake (G.SA) Pool and the extension of the Artesia (Q.G.SA) Pool to take in the area in question.

Delete from the Red Lake Pool Sec. 9 E/2 E/2; Sec. 10 S/2 SW/4; Sec. 14 W/2; Sec. 15 all; Sec. 16 S/2; Sec. 19 S/2; Sec. 20, 21, 22 all; Sec. 23 SW/4 S/2 NW/4 & W/2 SE/4 Sec. 26 N/2; Sec. 27 N/2 N/2 & SW/4; Sec. 28, 29, 30 all; all in T-17S-R28E.

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MAIL ROOM OCC

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Dan Nutter
Chief Engineer
NMOCC
Santa Fe, New Mexico

Extend the Artesia Pool to include Sec. 9 E/2 E/2; Sec. 10 S/2 SW/4;
Sec. 14 W/2; Sec. 15 all; Sec. 16 S/2; Sec. 19 S/2; Sec. 20, 21, 22 all;
Sec. 23 W/2 & W/2 SE/4; Sec. 26 N/2; Sec. 27 N/2 N/2 & SW/4; Sec. 28 all;
Sec. 29 N/2; Sec. 30 NE/4 all in T-17S-R28E.

If you wish me to continue with my investigations in this matter
please let me know.

Very truly yours,

OIL CONSERVATION COMMISSION



R. L. Stamets
Geologist

RLS/jw

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

February 28, 1963

Mr. Ernest A. Hanson
P. O. Box 1515
Roswell, New Mexico

Dear Mr. Hanson:

Reference is made to Case No. 2768, Application of Ernest A. Hanson and Harold Kersey for Special Nomenclature, Eddy County, New Mexico, which is set for hearing on our docket of March 7, 1963.

Our staff has been doing some work on this case since receiving your application. We have decided that perhaps the most convenient way to handle this situation and one which will eliminate the necessity of your appearance at a hearing would be to dismiss Case 2768 and then give consideration at the April 17 Pool Nomenclature Hearing to some other solution to the problem. This may include a contraction of the Red Lake Pool and a corresponding extension of the Artesia Pool to cover the acreage in question, or some other similar action.

Meanwhile your H & K Federal No. 1 would be authorized to produce from both the Queen and Grayburg formations.

Please advise us prior to March 7 if this arrangement will be satisfactory with you.

Very truly yours,

DANIEL S. NUTTER
Chief Engineer

DSN/og

cc: Mr. R. L. Stamets

Oil Conservation Commission - Artesia

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