

APPLICATION FOR EMERGENCY ALLOWABLE
RED LAKE (PREMIER SAND) UNIT
EDDY COUNTY, NEW MEXICO

Oil Conservation Commission
Santa Fe, New Mexico

WHEREAS, on January 13, 1955, by Oil Conservation Commission Order No. R-568, permission was granted to Harold Kersey to inject water into the Red Lake Area on a particular five spot pattern, as more particularly set out in said order.

WHEREAS, on January 16, 1957, by Order No. R-938, the Oil Conservation Commission approved formation of the Red Lake Unit for secondary recovery operations by the injection of water into the Premier Sand Formation, and for the expansion of the pilot flood authorized under its order of January 13, 1955.

WHEREAS, the pilot water injection program as authorized by the above referred to orders was inaugurated and has progressed in an orderly fashion to include and result in a unit comprised of producing wells and injection wells, all as more particularly set out and described in Exhibit "A" attached hereto and made a part of this application the same as if included herein. Reference is herewith made to said Exhibit "A" for the production capacity of each well, as well as the amount of water which has been injected into the water injection wells as of January 15, 1958. The unit area consists of 1760 acres as shown on Exhibit "B" attached hereto and made a part of this application for all purposes. As shown on Exhibit "B", the unit area consists of forty-four (44) 40-acre tracts or units. Out of these forty-four (44) 40-acre tracts, (a) seven such tracts have two wells on them, either one producing well and one injection well or two producing wells, and (b) nine such tracts have neither a producing well nor an injection well on them as yet. There are at present eleven (11) water injection wells and thirty-one (31) producing wells, which result in thirty-five (35) producing 40-acre tracts, all as more particularly shown on Exhibit "B", reference to which is here made.

WHEREAS, there has been a sudden increase in production on the Stephens-Federal #3 in the Unit "H" of Section 20, capable of making 90 barrels or more of oil per day, and because of such circumstances has created an emergency for an increase in allowable to enable disposition of this waterflood oil from said 40-acre tract.

WHEREAS, a unit agreement and a unit operating agreement has been prepared, agreed upon and executed by parties holding sufficient interest in the Red Lake (Premier Sand) Unit covering lands in said unit to give reasonably effective control of operations therein. That said unit agreement and unit operating agreement will be presented to the Bureau of Land Management and the Commissioner of Public Lands within a few days and should soon thereafter be finally approved by the two agencies.

WHEREAS, there is included in the unit, as more specifically set out on Exhibit "B" attached hereto, reference to which is hereby made, thirty-five (35) 40-acre tracts on which there is at least one producing or one injection well, of which only one such 40-acre tract is producing sufficient oil to use up the present allowable.

IT IS, THEREFORE, respectfully requested that this Commission issue an order for an emergency allowable for the Red Lake Unit equivalent to 300 barrels of oil per day to be produced out of any well or wells in the unit in any proportion until such time as a permanent order can be entered, or for a period of 15 days, whichever occurs first.

Notification to the undersigned by collect telegram is respectfully requested immediately after this Commission has reached a decision on this application.

Respectfully yours,

KERSEY & COMPANY


BY: R. L. ELLIOTT, Attorney
Ibex Building
Breckenridge, Texas