

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

April 30, 1962

Losee and Stewart  
P. O. Drawer 239  
Artesia, New Mexico

Attention: Mr. A. J. Losee

Gentlemen:

We regret that until now, due to some rather lengthy hearings, we have been unable to answer your letter of April 18, 1962, regarding the maximum allowable assignable to the waterflood project recently authorized by Order No. R-2196 for Water-Flood Associates, Western Development Company and Yates Petroleum Company in the Artesia Pool.

After a review of the case file including the exhibits and the transcript, we concur with you that some additional acreage may be included in the waterflood project area. In the absence of unitization, as in the subject case, the first main criterion for determination of eligibility of inclusion is whether the acreage is owned by the operator or not. And secondly, if it is owned by the operator, whether the royalty is common throughout. To permit the transfer of allowables without common ownership or adequate working agreements including consent of royalty owners is beyond the intent of the allowable transfer provisions of Rule 701.

Upon showing that acreage offsetting Section 14 is owned by the applicants in this case or is covered by adequate agreements

OIL CONSERVATION COMMISSION

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SANTA FE, NEW MEXICO

-2-

including protection of varying royalty ownership, we will reconsider the project area.

Very truly yours,

A. L. PORTER, Jr.  
Secretary-Director

ALP/DSN/ir

cc: Mr. M. L. Armstrong  
Oil Conservation Commission  
P. O. Drawer DD  
Artesia, New Mexico

MAIN OFFICE OCC LOSEE AND STEWART  
 CARPER BUILDING - P. O. DRAWER 239  
 ARTESIA, NEW MEXICO

A. J. LOSEE

EDWARD B. STEWART

1962 APR 19 AM 8:17 18 April 1962

Mr. A. L. Porter, Jr., Secretary-Director  
 New Mexico Oil Conservation Commission  
 Post Office Box 871  
 Santa Fe, New Mexico

Dear Mr. Porter:

This will acknowledge receipt of your letter of March 27, 1962, in reference to Oil Conservation Commission order R-2196 entered in case No. 2493, approving a water flood project in the Artesia pool for Water-Flood Associates, Inc., Western Development Company of Delaware, and Yates Petroleum Corporation.

In this letter you advise that according to your calculations, when all of the injection wells have been placed on active injection, and when the Kersey & Company Sheldon No. 1 well has been unitized with the remainder of acreage, the maximum allowable which this project will be eligible to receive is 686 barrels per day. In this letter you ask that we report any error in the calculated maximum allowable.

If we limit the project to proration units within Section 14, Township 18 South, Range 28 East, then we agree with your calculation as to the maximum allowable. However, there are other producing proration units located outside of Section 14 that will be directly or diagonally offset by active injection wells located within Section 14. These producing proration units may be described as follows:

Township 18 South, Range 28 East

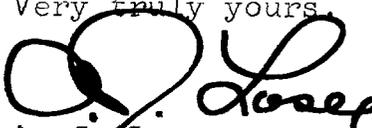
Section 11: S/2 SE/4 and SE/4 SW/4  
 Section 13: W/2 NW/4 and NW/4 SW/4  
 Section 15: E/2 SE/4  
 Section 23: NW/4 NE/4 and N/2 NW/4.

All of these proration units are not owned by the applicants in the above case. Until such time as a response is received by the flood, the assignment of an allowable to the project will not be important to our clients.

Mr. A. L. Porter, Jr.  
18 April 1962  
Page 2

The order entered in this case only refers to Section 14 but I would like to assume that under existing regulations, the applicants would be entitled to administrative approval of additional allowable for the above producing proration units.

If I am incorrect in my assumption that administrative approval can be received to secure a maximum allowable of 1,148 barrels per day for this project as presently authorized, please advise. Thank you for your further attention to this matter.

Very truly yours,  
  
A. J. Losee

AJL: jat

cc: Western Development Company of Delaware  
Post Office Box 427  
Artesia, New Mexico

Mr. Hal C. Porter  
Water-Flood Associates, Inc.  
Booker Building  
Artesia, New Mexico

Oil Conservation Commission  
Post Office Drawer DD  
Artesia, New Mexico

GOVERNOR  
EDWIN L. MECHEM  
CHAIRMAN

State of New Mexico  
Oil Conservation Commission

LAND COMMISSIONER  
E. S. JOHNNY WALKER  
MEMBER



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

P. O. BOX 871  
SANTA FE

March 14, 1962

Re: CASE NO. 2493

ORDER NO. R-2196

APPLICANT:

Waterflood Associates, Inc.  
Western Development Company  
and Yates Petroleum Corporation

Mr. A. J. Losee  
Carper Building  
Artesia, New Mexico

Dear Sir:

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

Very truly yours,

A. L. PORTER, Jr.  
Secretary-Director

ir/

Carbon copy of order also sent to:

Hobbs OCC x

Artesia OCC x

Aztec OCC \_\_\_\_\_

OTHER \_\_\_\_\_  
\_\_\_\_\_



STATE OF NEW MEXICO  
STATE ENGINEER OFFICE  
SANTA FE

S. E. REYNOLDS  
STATE ENGINEER

February 2, 1962

ADDRESS CORRESPONDENCE TO:  
STATE CAPITOL  
SANTA FE, N. M.

Mr. A. L. Porter, Jr.  
Secretary-Director  
Oil Conservation Commission  
Santa Fe, New Mexico

Dear Mr. Porter:

Reference is made to the application of Water-Flood Associates, Inc., Western Development Company of Delaware and Yates Petroleum Corporation which seeks to institute a water flood in Section 14, Township 18 South, Range 28 East.

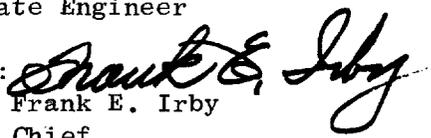
I have been unable to find any information in the application or in the illustrations attached thereto concerning the method of injection. Provided that injection is made through tubing and packer with the packer set a reasonable depth below the top of the cement outside the production string, this office offers no objection to the granting of the application.

It is noted that these wells are completed as open holes in the producing formation. I am doubtful that good control of the injection can be obtained by injection into an open hole completion. However, I am sure that your staff has given careful consideration to this question and that control and protection will be adequately provided in your order.

Yours truly,

S. E. Reynolds  
State Engineer

FEI/ma  
cc-F. H. Hennighausen  
Western Development Co.

By:   
Frank E. Irby  
Chief  
Water Rights Division



MAIN OFFICE OCC

1962 FEB 13 AM 8:08

STATE OF NEW MEXICO

STATE ENGINEER OFFICE

SANTA FE

S. E. REYNOLDS  
STATE ENGINEER

February 12, 1962

ADDRESS CORRESPONDENCE TO:  
STATE CAPITOL  
SANTA FE, N. M.

Mr. A. L. Porter, Jr.  
Secretary-Director  
Oil Conservation Commission  
Santa Fe, New Mexico

Dear Mr. Porter:

Reference is made to the Application of Water Flood Associates, Inc., Western Development Company and Yates Petroleum Corp., which seeks to institute a water flood operation in Section 14, Township 18 South, Range 28 East in Eddy County, New Mexico and to my letter on that subject dated February 2, 1962 on which hearing has already been held.

After discussing this with Mr. Nutter, who was the Examiner at the hearing, I have reached the conclusion that this office will offer no objection to the injection of water through the casing provided the surface casing is cemented well into the salt section and the 4½ inch casing has been cemented from the shoe up to a point well above the perforations in the casing. In each case where these two conditions do not prevail, we do object to the injection of water through the casing and suggest that it be injected through tubing and packer with the packer set well below the top of the cement outside the 4½ inch casing. Naturally, we object to any injection whatsoever if the 4½ inch casing is not adequately cemented either at total depth or immediately above the producing formation.

FEI/ma

cc-Marion Spitler  
Western Development Co.  
Artesia, N. M.

A. J. Losee  
Artesia, N. M.

H. C. Porter  
Artesia, N. M.

F. H. Hennighausen  
Roswell, N. M.

Yours truly,

S. E. Reynolds  
State Engineer

By:   
Frank E. Irby  
Chief  
Water Rights Division

WATER FLOOD ASSOCIATES, INC.

301 BOOKER BLDG.  
ARTESIA, NEW MEXICO

FEBRUARY 8, 1962

P. O. BOX 376

PHONE SH 6-6032

RECEIVED  
FEB 10 1962

STATE ENGINEER  
SANTA FE, NEW MEXICO

ATTENTION: MR. FRANK IRBY, CHIEF  
WATER RIGHTS DIVISION

RE: CASE 2493 HEARD BEFORE EXAMINER,  
OIL CONSERVATION COMMISSION,  
7 FEBRUARY, 1962. APPLICATION  
OF WATER FLOOD ASSOCIATES, INC.,  
WESTERN DEVELOPMENT COMPANY AND  
YATES PETROLEUM CORPORATION FOR  
A WATER FLOOD PROJECT IN SECTION  
14, T18S, R28E, EDDY COUNTY.

DEAR MR. IRBY:

WITH REFERENCE TO THE ABOVE CASE AND MY TELEPHONE CALL TO YOU WHILE YOU WERE IN CARLSBAD ON 6 FEBRUARY, I STATED DURING MY TESTIMONY THAT YOU SAID THAT YOU HAVE NO OBJECTION TO METHODS OF INJECTION, OTHER THAN THROUGH TUBING AND PACKER, AS LONG AS ANY FRESH WATER WHICH MIGHT BE PRESENT IS ADEQUATELY PROTECTED. I REFER YOU TO A LETTER FROM WESTERN DEVELOPMENT COMPANY DATED JANUARY 26, 1962, WITH ATTACHED WELL COMPLETION DATA.

THE INJECTION WELLS APPLIED FOR AND THE OTHER WELLS IN THE AREA ARE, AS A RULE, COMPLETED WITH 8 5/8" OR 7" SURFACE CASING SET AND CEMENTED THROUGH THE OCHOA SERIES INTO THE SALT SECTION. THERE ARE CERTAIN EXCEPTIONS WHERE THE SURFACE CASING IS SET BUT NOT CEMENTED SUCH AS OUR STATE 14 NO. 8 AND WESTERN-YATES STATE 647 NO. 123. IN ALL THE PROPOSED INPUT WELLS, LONG STRING (PRODUCTION CASING) IS SET ABOVE THE PAY AND CEMENTED. WITH THE EXCEPTION OF THE TWO WELLS MENTIONED ABOVE, ANY WATER WHICH MAY BE PRESENT IS PROTECTED BY TWO CEMENT JOBS AND TWO STRINGS OF CASING. WE WISH TO BE ABLE TO INJECT DOWN THE PRODUCTION CASING IN THESE WELLS. WHERE THE SURFACE CASING IS NOT CEMENTED, WE ARE WILLING TO INJECT THROUGH TUBING AND PACKER, IF YOU AND THE COMMISSION DESIRE. HOWEVER, WHERE NO CEMENT WAS USED ON SURFACE CASING, NO WATER WAS ENCOUNTERED DURING DRILLING AND IT WOULD SEEM UNNECESSARY TO DO THIS INASMUCH AS NO WATER IS PRESENT.

STATE ENGINEER  
FEBRUARY 8, 1962

PAGE - 2

I TOLD MR. NUTTER THAT YOU HAD AGREED TO RECONSIDER YOUR REQUIREMENTS FOR TUBING AND PACKER BASED ON THIS ADDITIONAL INFORMATION AND THAT YOU WOULD CONFER WITH HIM PRIOR TO THE ISSUANCE OF AN ORDER. I WISH TO THANK YOU FOR YOUR TIME AND ATTENTION TO THIS MATTER AND TO ASSURE YOU THAT WE WISH TO WORK WITH YOU IN PROTECTING OUR WATERS IN THIS AREA. I WAS DISAPPOINTED THAT I DID NOT HAVE THE OPPORTUNITY TO DISCUSS THIS WITH YOU IN PERSON.

VERY TRULY YOURS,  
WATER FLOOD ASSOCIATES, INC.

Original Signed by H. C. Porter

H. C. PORTER  
VICE PRESIDENT

HCP:EL

CC: MR. DAN NUTTER  
OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

MARION SPITLER  
WESTERN DEVELOPMENT COMPANY  
ARTESIA, NEW MEXICO

A. J. LOSEE  
CARPER BUILDING  
ARTESIA, NEW MEXICO

Western Development  
Company of Delaware

MAIN OFFICE OCC

1962 JAN 24 AM 8:15

~~600 BRUN PLAZA, SANTA FE, NEW MEXICO~~

~~TELEPHONE YU3333 3-8848~~

P. O. BOX 427 ARTESIA, NEW MEXICO

January 22, 1962

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

Attention: Mr. Richard S. Morris, General Counsel

Ref: Proposed Waterflood  
Sec. 14, T-18-S, R-28-E  
Eddy County, New Mexico

Dear Sir:

Please find enclosed a proposed project plat for the waterflood application submitted jointly by Waterflood Associates, Inc., Western Development Company of Delaware, and Yates Petroleum Corporation.

We plan to inject water into the Grayburg formation. Anticipated initial injection rates and pressure are 200 barrels of water per day per well at 1150 PSI.

The casing program on the six proposed injection wells is as follows:

Waterflood Associates, Inc., State 14 No. 3  
8 5/8" @ 512' /50 sacks and 5 1/2" @ 2528' /100 sacks  
Waterflood Associates, Inc., State 14 No. 5  
8 5/8" @ 327' /100 sacks and 7" @ 2424' /150 sacks  
Waterflood Associates, Inc., State 14 No. 8  
8 5/8" @ 355' /no cement and 7" @ 2385' /100 sacks  
Waterflood Associates, Inc., State 14 no. 14  
8 5/8" @ 409' /50 sacks and 7" @ 2285' /100 sacks  
Western-Yates, State 647 No. 118  
10 3/4" @ 647' /200 sacks and 7" @ 2427' /100 sacks  
Western-Yates, State 647 No. 123  
8 5/8" @ 345' /no cement and 7" @ 2451' /100 sacks

Waterflood Associates, Inc. and Western-Yates plan to inject water on a lease line agreement. Water is available either from Cisco Pipeline Company or Caprock Water Company.

There were no radioactivity logs run on the subject wells.

Yours very truly,

WESTERN DEVELOPMENT COMPANY  
of Delaware

A handwritten signature in cursive script, appearing to read "M. E. Spitler".

M. E. Spitler  
General Manager

MES:cm

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

*Handwritten scribble*

C  
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P  
Y

January 15, 1962

*Received  
1/15/62*

Mr. M. E. Spidler  
P. O. Box 427  
Artesia, New Mexico

Dear Mr. Spidler:

The Commission is in receipt of two applications for waterflood projects, one on behalf of Waterflood Associates, Inc., Western Development Company of Delaware and Yates Petroleum Corporation, and the other on behalf of Western Development Company of Delaware and Yates Petroleum Corporation.

Reference is made to Paragraph B of Commission Rule 701 concerning the method of making application for approval of a waterflood. This rule requires that plats, logs, casing programs and other pertinent information be submitted to the Commission along with the application for hearing. It will be appreciated if you will submit this information as soon as possible to supplement these two applications.

An examiner hearing is tentatively scheduled for February 7, at which time your cases will be docketed.

Very truly yours,

RICHARD S. MORRIS  
Attorney

RSM/esr

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

January 15, 1962

*Kirk  
Mason*  
Mr. W. H. McKinley  
908 West Fifth Street  
Roswell, New Mexico

Dear Mr. McKinley:

In accordance with your recent request to be notified of the date of hearing upon an application of Waterflood Associates, Inc. for a waterflood project in Township 18 South, Range 28 East, Eddy County, New Mexico, please be advised that such an application was received by the Commission on this date, and will be set for hearing on February 7, 1962.

An official notification of hearing will be sent to you in the near future.

Very truly yours,

RICHARD S. MORRIS  
Attorney

RSM/esr

cc: Mr. M. E. Spitler  
P. O. Box 427  
Artesia, New Mexico

C  
O  
P  
Y

# CISCO PIPE LINE COMPANY

POST OFFICE BOX 788

BRECKENRIDGE, TEXAS

January 2, 1962

Water Flood Associates, Inc.  
301 Booker Building  
Artesia, New Mexico

ATTENTION: Mr. Hal Porter

Dear Mr. Porter:

As was discussed earlier this week, Cisco Pipe Line Company has available through its Red Lake Water System sufficient excess volumes of water above its present requirements to supply the quantities you indicated would be necessary for your entire water-flood project in Sections 11, 12, 13, 14, 15, 23, and 24, T-18S, R-28E, Eddy County, New Mexico.

We are presently preparing a contract between Cisco Pipe Line Company and Water-Flood Associates relative to making said water available.

Yours very truly,

CISCO PIPE LINE COMPANY

  
R. L. Elliott  
President

RLE:vkw

BEFORE EXAMINER NUTTER  
OIL CONSERVATION COMMISSION  
EXHIBIT NO. 7  
CASE NO. 2413

EXHIBIT NO. 7