

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
October 23, 1968

EXAMINER HEARING

IN THE MATTER OF:)

Application of Kersey & Hanson,)
Yates Drilling Company and John H.)
Trigg for several waterflood projects,)
Eddy County, New Mexico.)

Case No. 3896

BEFORE: Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

MR. NUTTER: Call Case 3896.

MR. HATCH: Application of Kersey & Hanson, Yates Drilling Company and John H. Trigg for several waterflood projects, Eddy County, New Mexico

MR. NUTTER: The record will show that Mr. Kersey is still under oath.

(Whereupon, Applicants' Exhibits
A through H marked for identification.)

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HAROLD KERSEY, one of the Applicants, having been previously duly sworn, testified as follows:

* * * * *

MR. KERSEY: Here is a couple more of the copies of the proposal that was submitted to the Commission. I also have in that connection, letters from John H. Trigg and Yates Drilling Company authorizing my authority to present their case in conjunction because this is a cooperative deal, before this Commission.

MR. NUTTER: This is actually a composit application of three different companies?

MR. KERSEY: That is right, Kersey & Company, Trigg and Yates Drilling Company.

MR. PORTER: We do have a letter from Yates Drilling Company.

MR. KERSEY: Yes, you mailed one direct and I have copies of it here and I also have copies of a letter from Trigg, which I will submit in evidence.

This flood is in what we term the Y D area and it is productive from the Queen Sand in Section 28, 18, 29, and we considered unitization of the area and then we came upon the idea of instituting a line drive flood which will involve one well of Triggs, one well of Yates Drilling Company and two wells of ours. The water for this injection initially will be obtained from John Trigg's Wolfcamp Discovery well in Section 20, 18, 29. We took the pattern that you see proposed here up with the U. S. G. S. and it was their opinion that using this particular pattern, that no one's rights would be, everyone would have equal rights as far as injection was concerned, and there's only one producing zone in the area which is the Queen and we propose to set a packer above this. If you will turn to, well Exhibit A shows the general area. Exhibit B is the detail of the four injection wells and Exhibit F shows how each well in the flood will be completed. They're all cased through and perforated, packers will be set with cement-lined tubing on each well and injection will be in that manner.

Initially we are limited on the amount of water,

but Double Eagle has indicated that they will supplement our water supply, perhaps by the end of the year. The production in the area at the present time is down, is knocked down clear out of an economic status and we feel by instituting this flood that results should be obtained that would be economic for all the parties concerned.

EXAMINATION

BY MR. NUTTER:

Q Now, you stated that Double Eagle would supplement the water supply. What would be the initial water supply?

A About 600 barrels. The Wolfcamp well is producing that. This solves a problem for John Trigg because he had no place for this water to go come January the 1st.

Q That's from the Wolfcamp?

A That's from the Wolfcamp.

Q Where is that Wolfcamp well?

A It's located in the southeast of the southeast of Section 20, 18, 29.

Q Now, Mr. Kersey, referring to Exhibit A, would you describe each of these leases that's involved here?

A Well, John Trigg's lease is the first lease and it consists of five forty-acre tracts with a south half of the southwest quarter, the southwest quarter of the southeast

quarter, and the northwest quarter of the southwest quarter, and the southwest quarter of the northwest quarter of Section 28, 18, 29.

Q Fine.

A The Kersey and Company and Hanson leases consist of the east half of the northwest quarter, the northeast of the southwest quarter of Section 28 and the southeast quarter of Section 21, and the west half of the northwest quarter of Section 27, all in 18, 29. The Yates Drilling Company lease consists of the northeast quarter of Section 28, 18, 29. We have one other lease I didn't indicate. It's the northwest of the southeast quarter.

Q That's that Federal Perry Well?

A That's Federal Perry, that's right.

Q That actually another lease from the one that you are going to inject on?

A That's another lease from what we plan to inject on.

Q The injection well there in Section 28 on your lease, what is the name of that lease?

A That is Kersey and Hanson Y D Lease.

Q That's the Y D?

A Y D.

Q Federal?

A Federal.

Q It has one injection well and two producing wells?

A That is right.

Q The Denton Lease up in Section 21 --

A It has one producing well and one injection.

Q -- the Denton over in Section 27?

A Has one producing well.

Q Has one producing well, and that would be the well down there in the northwest of the southwest, or the one up in the northwest northwest?

A Northwest northwest.

Q So it's a direct offset to the injection well which is on the same lease?

A That's right.

Q And would earn allowable credit in this project?

A That's right.

Q And the Yates Lease has one injection well and three producing wells?

A That's right, one injection and three producing.

Q The Trigg lease has one injection well and three producing wells?

A Right. It makes a rather simple pattern, that is simple from several standpoints, saves unitization and I

think our results ought to be as good.

Q And the operators understand that each lease stands on its own --

A Each lease stands on its own.

Q -- as far as allowable and so forth?

A That's right.

Q What is the average rate of production from these wells?

A About one barrel or less at this particular time, it's clear down past the economic status.

Q And definitely qualifies as a waterflood project?

A That is right.

Q Would you go into this surface and production casing program in a little more detail, Mr. Kersey?

A Yes. If you will refer to my Exhibit F, you'll see on the Kersey and Hanson Y D No. 2, the 8 and 5/8ths is cemented at 360 feet with 50 sacks and the 6 and 1/2 inch casing was cemented at 2026 with 150 sacks; and on the Yates Drilling Company Y D No. 3, it's also part of the same basic lease as our lease, their 7 inch was cemented at 389 feet with 75 sacks and their 4 and 1/2 inch casing at 2045 feet with 100 sacks; and on the Kersey and Hanson Denton No. 1, the 8 and 5/8ths was at 426 with 50 sacks and the 6 and 1/2

at 2054 feet with 100 sacks; and on John H. Trigg's Jennings No. 2, the 7 inch was 407 feet with 100 sacks and the 4 and 1/2 at 2030 with 100 sacks.

Q Did the cement on any of these circulate to the surface?

A So far as I know, they didn't. When these wells were drilled, of course, no thought at that particular time was given to secondary recovery so we put in the required amount of cement and that was that.

Q Now, three of the wells were cemented with a hundred sacks on the long string and one has 150 sacks, do you have an estimate as to the top of the cement on those?

A I would say the top of cement would be approximately around fourteen to fifteen hundred feet because on one of our wells we did run a survey. I don't remember whether it's one that's in the flood, but we did run a survey on one of them, after we cemented.

Q And you have fill up to about 1400?

A To 1400 feet.

Q With the same amount of cement?

A With the same amount of cement.

MR. NUTTER: Are there any other questions of Mr. Kersey?

MR. PORTER: Just a couple.

EXAMINATION

BY MR. PORTER:

Q When were these wells drilled?

A When were the Trigg wells drilled?

Q When were these wells drilled?

A About ten years ago.

Q What has been the primary?

A The primary has been around fifteen to twenty thousand barrels.

MR. PORTER: Thank you.

MR. NUTTER: You wish to offer these Exhibits as evidence in the hearing?

MR. KERSEY: Yes.

MR. NUTTER: We have the letter.

MR. KERSEY: Copies of letters from Trigg and also from Yates.

MR. NUTTER: These have been identified as Exhibits G and H. The other exhibits are A through F, so without objection, Kersey's, Yates's and Trigg's Exhibits A through H will be admitted in evidence.

(Whereupon Applicants' Exhibits A through H admitted in evidence.)

MR. NUTTER: Do you have anything further in this

case?

MR. KERSEY: I believe that's all for this case.

MR. NUTTER: Does anyone have anything they wish to offer in Case 3896? We will take the case under advisement.

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STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

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

WITNESS my hand this 1st day of November, 1968.

Ada Dearnley

Ada Dearnley

I do hereby certify that the foregoing is a complete and correct copy of the transcript of the hearing held on 10/23/68 before the New Mexico Oil Conservation Commission.
10/23/68 3896
Admiral
New Mexico Oil Conservation Commission