

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

November 10, 1969

**Mr. Harold Kersey
Kersey & Company
Post Office Box 316
Artesia, New Mexico 88210**

Dear Sir:

Enclosed herewith is Commission Order No. R-3873, entered in Case No. 4251, approving the Kersey & Company Welch Shugart Waterflood Project.

Injection is to be through the two authorized water injection wells, each of which shall be equipped with a string of cement-lined tubing set in a packer at approximately 3200 feet. The casing-tubing annulus of each well shall be loaded with a corrosion-inhibited fluid and equipped with a pressure gauge at the surface.

As to allowable, our calculations indicate that when all of the authorized injection wells have been placed on active injection, the maximum allowable which this project will be eligible to receive under the provisions of Rule 701-N-3 is 252 barrels per day when the Southeast New Mexico normal unit allowable is 42 barrels per day or less.

Please report any error in this calculated maximum allowable immediately, both to the Santa Fe office of the Commission and the appropriate district proration office.

In order that the allowable assigned to the project may be kept current, and in order that the operator may fully benefit from the allowable provisions of Rule 701, it behooves him to promptly notify both of the aforementioned Commission offices by letter of any change in the status of wells in the project area, i.e., when active injection commences, when additional injection or producing wells are drilled, when additional wells are acquired through purchase or unitization, when wells have received a response to water injection, etc.

Your cooperation in keeping the Commission so informed as to the status of the project and the wells therein will be appreciated.

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

-2-

November 10, 1969

Mr. Harold Kersey
Kersey & Company
Post Office Box 316
Artesia, New Mexico

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/1r

cc: Oil Conservation Commission
Hobbs and Artesia

U. S. Geological Survey
Drawer U
Artesia, New Mexico 88210

Mr. D. E. Gray
State Engineer Office
Santa Fe, New Mexico



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

P. O. Drawer U
Artesia, New Mexico 88210

IN REPLY REFER TO:

970 AUG 3 4 43 PM

not a unit -
a regular exception

July 31, 1970

Kersey & Company
Post Office Box 316
Artesia, New Mexico 88210

Gentlemen:

Your letter of November 18, 1969, which this office has been holding for receipt of the Bureau of Land Management approved assignment or Designation of Operator, requests approval to operate a waterflood in the Shugart Pool by the injection of water into the Queen formation on oil and gas lease Las Cruces 069041, involving Lots 2 and 3, SE $\frac{1}{4}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ NE $\frac{1}{4}$ sec. 4, T. 19 S., R. 31 E., N.M.P.M., Eddy County, New Mexico. You propose to convert to water injection wells No. 2 Welch "A" located 1650/N and 2310/E and No. 4 Welch "A" located 660/N and 2210/W both of section 4 above. The New Mexico Oil Conservation Commission approved this project by order No. R-3873.

The plan for operating this waterflood project as proposed in the application is satisfactory to this office and hereby approved subject to the following:

1. A monthly progress report (N.M.O.C.C. form C-120 acceptable) is to be submitted in duplicate to this office showing the volume of water injected and average pressure for the injection wells and production for the producing wells in the project area.
2. This approval does not preclude the necessity for further approval when the project is expanded to include other wells and leases or the necessity to submit the usual notices and reports on wells involved.

Sincerely yours,

(Orig. Sgd.) **ROBERT L. BEEKMAN**

Robert L. Beekman
Acting District Engineer

cc:
N.M.O.C.C., Santa Fe ✓
Roswell
File
Accounts

KERSEY & COMPANY
DRILLING AND OIL PRODUCTION
Phone 746-3671 • P. O. Box 316 • 808 W. Grand
ARTESIA, NEW MEXICO 88210

OCT 21 1969

October 20, 1969



Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Gentlemen:

Please refer to our letter of October 15th to
schedule a hearing for water injection.

The description on Welch #4 is in error, the correct
description should read:

Welch #4, 660' FNL and 2210' FWL of Section 4
T19S, R31E, Eddy County, New Mexico
Unit C

Yours very truly,

KERSEY & COMPANY



Harold Kersey

HK:cg
CC: Oil Conservation Commission
Artesia, New Mexico

KERSEY & COMPANY
DRILLING AND OIL PRODUCTION
Phone 746-3671 • P. O. Box 316 • 808 W. Grand
ARTESIA, NEW MEXICO 88210

SEP 16 1969

October 15, 1969

File 4251

Shugart

Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Gentlemen:

We would like for you to schedule a hearing for the purpose of converting to water injection the following two wells:

Welch #2, 1650' FNL & 2310' FEL of Section 4,
T19S, R31E, Eddy County, New Mexico

Welch #4, 660' FNL & 2210' FNL of Section *2,4 Unit C*
T19S, R31E, Eddy County, New Mexico

It is planned to inject water into the Queen formation —
at 3250' - 3300' in each of the wells.

We would appreciate it if you would schedule this hearing at the same time as the requested hearing for the McCrary & Franklin well.

Yours very truly,

KERSEY & COMPANY

Harold Kersey

Harold Kersey

HK:cg

DOCKET MAILED

Date *10-24-69*