

*Entered August 21, 1959
C.F.P.*

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE No. 1734
Order No. R-1471

APPLICATION OF KERSEY AND
COMPANY FOR A WATER FLOOD
PROJECT IN THE ARTESIA POOL
IN EDDY COUNTY, NEW MEXICO

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on August 5, 1959, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 20th day of August, 1959, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Kersey and Company, is the owner and operator of the NE/4 NE/4 of Section 29, Township 18 South, Range 28 East, NMPM, Eddy County, New Mexico, which acreage is offset to the East by a water flood project in the Artesia Pool operated by Graridge Corporation.

(3) That the applicant proposes to water flood the above-described acreage by injecting water into the 2000-foot interval of the Grayburg sand in the Artesia Pool through the Featherstone Well No. 4, to be located 330 feet from the North line and 990 feet from the East line of said Section 29.

(4) That the applicant further proposes that the Featherstone Well No. 2, located on an unorthodox location at a point 1060 feet from the North line and 250 feet from the East line of said Section 29, be recompleted as a water injection-oil producing dual completion in such a manner as to permit the injection of water into

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said 2000-foot interval of the Grayburg sand in the Artesia Pool and the production of oil from the Premier zone of the lower Grayburg sand in the Artesia Pool at approximately 2230 feet.

(5) That approval of the above-described Featherstone Well No. 2 as a water injection-oil producing dual completion would create a hazard to the Premier zone of the lower Grayburg sand in the Artesia Pool.

(6) That there is no necessity for granting capacity allowables to any wells in the proposed water flood project at this time, but, as requested by the applicant, an administrative procedure should be established whereby capacity allowables may be granted to wells in said project without notice and hearing when said wells have received a response to water injection enabling them to produce in excess of top unit allowable for the Artesia Pool.

IT IS THEREFORE ORDERED:

(1) That Kersey and Company be and the same is hereby authorized to institute a water flood project in the Artesia Pool, with the project area consisting of the NE/4 NE/4 of Section 29, Township 18 South, Range 28 East, NMPM, Eddy County, New Mexico.

(2) That the applicant be and the same is hereby authorized to complete for the purpose of water injection into the 2000-foot interval of the Grayburg sand in the Artesia Pool, the Featherstone Well No. 4, to be located 330 feet from the North line and 990 feet from the East line of said Section 29.

(3) That the application for an order authorizing the dual completion of the Featherstone Well No. 2 located on an unorthodox location at a point 1060 feet from the North line and 250 feet from the East line of said Section 29 so as to permit the injection of water into the 2000-foot interval of the Grayburg sand in the Artesia Pool and the production of oil from the Premier zone of the lower Grayburg sand in the Artesia Pool at approximately 2230 feet be and the same is hereby denied.

PROVIDED HOWEVER, That the applicant be and the same is hereby authorized to utilize said Featherstone Well No. 2 on the above-described unorthodox location according to either of the following plans:

(a) As a single completion for the injection of water into the 2000-foot interval of the Grayburg sand in the Artesia Pool, so long as the applicant provides adequate protection against communication to the Premier zone of the lower Grayburg sand in said Artesia Pool by means to be approved by the Supervisor of the appropriate District Office of the Oil Conservation Commission.

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(b) As a single completion for the production of oil from the Premier zone of the lower Grayburg sand in the Artesia Pool at approximately 2230 feet.

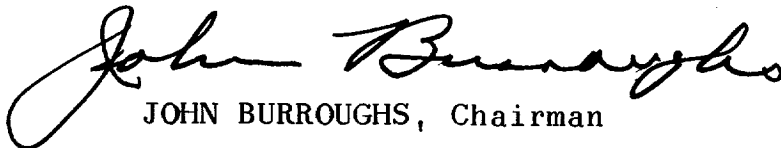
PROVIDED FURTHER, That surface casing shall be set below the fresh water zone (approximately 400 feet) and the cement circulated to the surface in both the producing wells and injection wells. The production string shall be new casing and shall be cemented from the casing shoe to the surface in the two injection wells. The casing on the two injection wells shall be tested at a pressure equivalent to the hydrostatic head of the injection fluid plus the maximum surface pressure to be used for injection.

(4) That the Proration Manager of the Commission be and the same is hereby authorized to assign an allowable equal to the well's ability to produce for any well in the above-described project; provided, however, that no well shall receive an allowable greater than the top unit allowable for the Artesia Pool unless the ability of said well to produce in excess of such top unit allowable is based upon a response from water injection. In order to obtain such capacity allowables, the operator shall file Form C-116 showing the producing capacity of the wells for which such request is made.

(5) That monthly progress reports on the water flood herein authorized shall be submitted to the Commission in accordance with Rule 704 and Rule 1119 of the Commission Rules and Regulations.


DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


JOHN BURROUGHS, Chairman

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MURRAY E. MORGAN, Member


A. L. PORTER, Jr., Member & Secretary

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