

KERSEY & COMPANY

OIL PRODUCTION

Phone 746-8671 • 808 W. Grand

ARTESIA, NEW MEXICO 88210

May 5, 1988

Mr. William J. LeMay
Oil Conservation Commission
P.O. Box 2088
Santa Fe, New Mexico 87501

RE: Kersey & Company Proposed Disposal
Well Northcott #3 located SW SE
Section 24-T19S-R28E, Eddy Co., N.M.

Dear Mr. LeMay:

We request administrative approval to make a salt water disposal out of the above designated well for the following reason:

On our Northcott lease in the East Millman field in Eddy County, we have two wells producing oil, gas and water located as: No. 1 SW NE Section 24, and No. 2 NW NW Section 24. We have no place to go with the produced water of approximately 60 - 70 barrels per day.

In the area the zones are tight and in a disposal well the water would be confined to the area injected.

Enclosed Exhibit "A" shows the area involved. Exhibit "B" shows the proposed disposal and the perforations that would receive the disposed water, it also shows the casings, the cement used, and the tubing and packer.

Exhibit "C" is a completed C-108 form enclosed with data sheet as requested on the form.

A sheet is also enclosed showing the area operators and land owner notified with return receipt cards.

We will appreciate your consideration on this subject.

Yours very truly,

KERSEY & COMPANY


Harold Kersey

HK/pt
enclosures

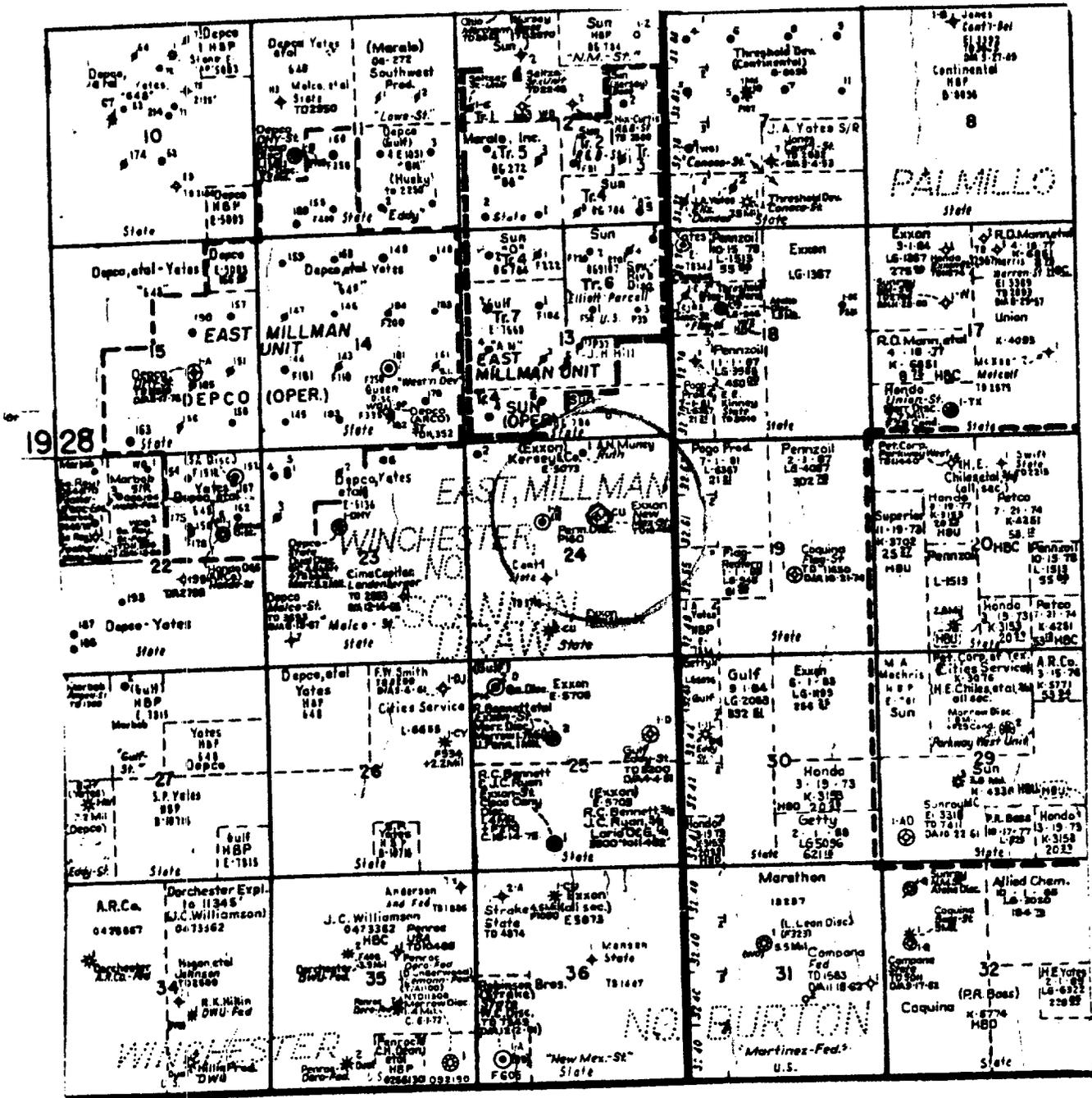
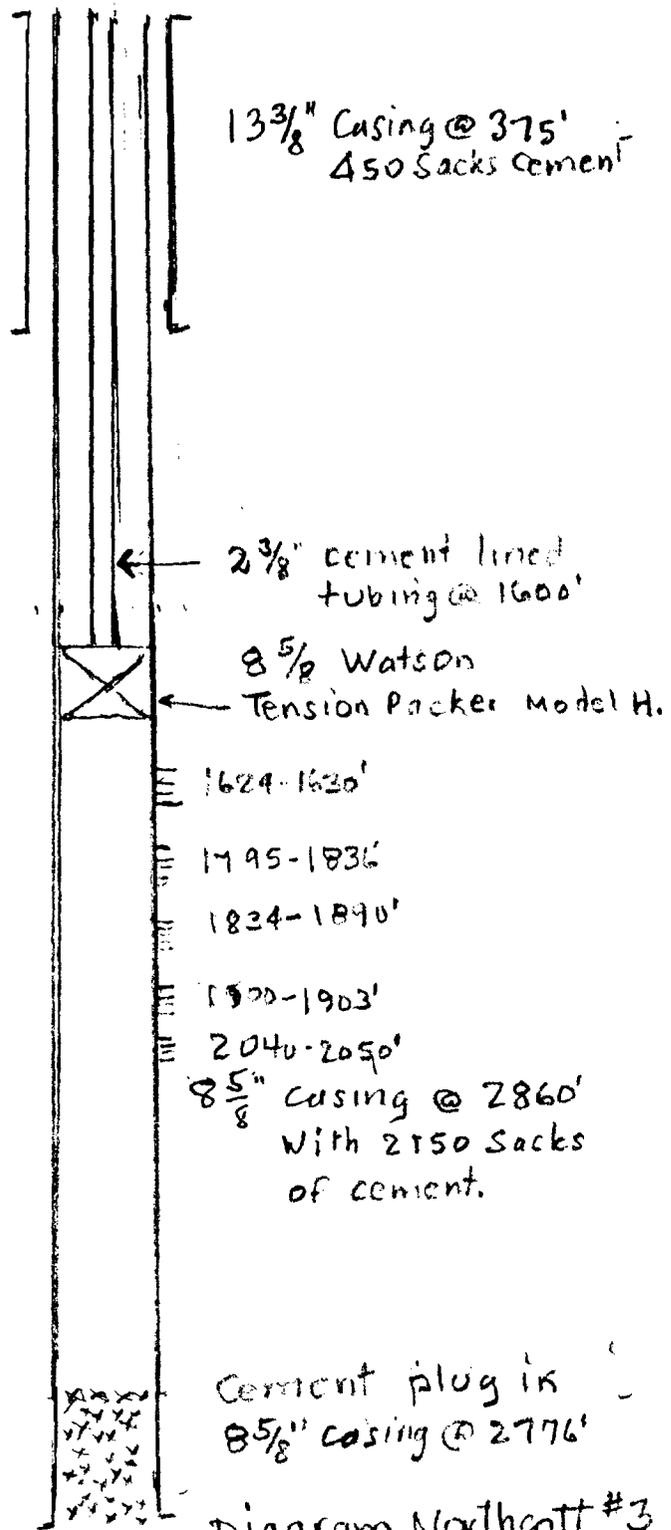


Exhibit "A"

Proposed Injection Well
 SW NE 24-19S-28E.
 Eddy County, N. Mex.
 Scale 1 5/16" = 5280'

Kersey & Co.
 Box 316
 Artesia, N. Mex



*Called Mike Williams
have them set a CIBP
@ approx. 2100'*

Exhibit "B"

Cement plug in
8 5/8" casing @ 2776'

Diagram Northcott #3
SW NE 24-19-28
Eddy County, N. Mex
Kersley E. Co.

Date Furnished with Form C-108
Other Wells in Radius of $\frac{1}{2}$ Mile
Exhibit "C"

A. N. Muncy Ruth #1, 330 FNL 2278 FEL Section 24-19-28 Eddy County, drilled 1980: 8 $\frac{5}{8}$ " @ 440 with 150 sx, 4 $\frac{1}{2}$ " @ 2270 450 sx, 2 $\frac{3}{8}$ " @ 2101 Perf. 2124-28, 2130-33, 2167 w/2 SPM, Acid 2124-72 3000 gal, fractured 2167-72-20 M gal, 22M# sand, 6 BOPD.

Conoco A-24 drilled 1947, 1980 FS & W Sec. 24-19-28. 10" @ 281 with 200 sx, 7" @ 2531 - 150 sx - shot 2620-2700', plugged - recovered 1638' 7" casing - 100' cement plug 1588-1688, mud to 100', cement plug 0-100': Top Q 1780.

Kersey & Company Northcott #1, 1980 FN & W lines Sec. 24-19-28, 8 $\frac{5}{8}$ " @ 298 50 sx, 4 $\frac{1}{2}$ " @ 2330 with 150 sx - calculated fillup 1514', perf. 2126-32, 2144-48, 2152-56 and 2184-92 - treated 30,000 gal of water & 30,000# sand - drilled 1962.

Other Wells in Radius of $\frac{3}{4}$ Mile

Kersey & Company Northcott #2, 330 FN & W lines 24-19-28, 8 $\frac{5}{8}$ " @ 300' with 175 sx, 4 $\frac{1}{2}$ " @ 2282 with 175 sx, Perf 2165, 2171, 2191, 2210, 2222, 2 shots/ft. Made 27 barrels oil and 98 barrels water.

- VII 1. Average Injection rate contemplated initially 100 barrels/day. Maximum 200 bbls/day.
2. The system will be closed.
3. Average injection pressure 500 psi, maximum 900 psi.
4. Water injected will be the produced water.
5. Injection is into a productive oil and gas zone.
- VIII Injection is into the Seven Rivers 1624-1630', Queen 1796-1836', and lower Grayburg 1884-1890', 1900-1903', 2040-2050'.
- IX Well was previously stimulated with 1000 gal of 15% acid, 40,000 gal of gelled fluid and 50,000# of 20-40 sand.
- X Logging and test data furnished N.M.O.C.C.
- XI So far as we know there are no fresh water wells within 1 mile of this location.
- XII We note from geologic data available that there are no open faults or other hydrologic connection between the injection zone and any underground source of drinking water.
- XIII "Proof of Notice" included.
- III Well Data
- A.
- (1) No. 3 Northcott SW NE Sec. 24-T19S-R28E, Eddy County 1980' from the North and East lines.
 - (2) 13 $\frac{3}{8}$ " @ 375' with 450 sx, circulated, 8 $\frac{5}{8}$ " @ 2860' with 150 sx, circulated.
 - (3) 2 $\frac{3}{8}$ " EUE Cement lined set at 1600'.
 - (4) Watson Tension packer Model #H.
- B.
- (1) Seven Rivers, Queen, & Grayburg. East Millman field.
 - (2) Injection intervals perforated.
 - (3) Well was drilled originally for deep gas.
 - (4) None
 - (5) There is no higher zone. The next deeper zone is the Glorietta @ 3120'. Cement was used to plug back - 50 sx @ 2800'.

Exhibit "C"

APPLICATION FOR AUTHORIZATION TO INJECT

- I. Purpose: Secondary Recovery Pressure Maintenance Disposal Storage
Application qualifies for administrative approval? yes no
- II. Operator: Kersey & Co.
Address: Box 316
Contact party: Harold Kersey Phone: 746-3671
- III. Well data: Complete the data required on the reverse side of this form for each well proposed for injection. Additional sheets may be attached if necessary.
- IV. Is this an expansion of an existing project? yes no
If yes, give the Division order number authorizing the project _____.
- V. Attach a map that identifies all wells and leases within two miles of any proposed injection well with a one-half mile radius circle drawn around each proposed injection well. This circle identifies the well's area of review.
- * VI. Attach a tabulation of data on all wells of public record within the area of review which penetrate the proposed injection zone. Such data shall include a description of each well's type, construction, date drilled, location, depth, record of completion, and a schematic of any plugged well illustrating all plugging detail.
- VII. Attach data on the proposed operation, including:
1. Proposed average and maximum daily rate and volume of fluids to be injected;
 2. Whether the system is open or closed;
 3. Proposed average and maximum injection pressure;
 4. Sources and an appropriate analysis of injection fluid and compatibility with the receiving formation if other than reinjected produced water; and
 5. If injection is for disposal purposes into a zone not productive of oil or gas at or within one mile of the proposed well, attach a chemical analysis of the disposal zone formation water (may be measured or inferred from existing literature, studies, nearby wells, etc.).
- *VIII. Attach appropriate geological data on the injection zone including appropriate lithologic detail, geological name, thickness, and depth. Give the geologic name, and depth to bottom of all underground sources of drinking water (aquifers containing waters with total dissolved solids concentrations of 10,000 mg/l or less) overlying the proposed injection zone as well as any such source known to be immediately underlying the injection interval.
- IX. Describe the proposed stimulation program, if any.
- * X. Attach appropriate logging and test data on the well. (If well logs have been filed with the Division they need not be resubmitted.)
- * XI. Attach a chemical analysis of fresh water from two or more fresh water wells (if available and producing) within one mile of any injection or disposal well showing location of wells and dates samples were taken.
- XII. Applicants for disposal wells must make an affirmative statement that they have examined available geologic and engineering data and find no evidence of open faults or any other hydrologic connection between the disposal zone and any underground source of drinking water.
- XIII. Applicants must complete the "Proof of Notice" section on the reverse side of this form.
- XIV. Certification
- I hereby certify that the information submitted with this application is true and correct to the best of my knowledge and belief.
- Name: Harold Kersey Title Co-owner
Signature: Harold Kersey Date: _____
- * If the information required under Sections VI, VIII, X, and XI above has been previously submitted, it need not be duplicated and resubmitted. Please show the date and circumstance of the earlier submittal.

III. WELL DATA

A. The following well data must be submitted for each injection well covered by this application. The data must be both in tabular and schematic form and shall include:

- (1) Lease name; Well No.; location by Section, Township, and Range; and footage location within the section.
- (2) Each casing string used with its size, setting depth, sacks of cement used, hole size, top of cement, and how such top was determined.
- (3) A description of the tubing to be used including its size, lining material, and setting depth.
- (4) The name, model, and setting depth of the packer used or a description of any other seal system or assembly used.

Division District offices have supplies of Well Data Sheets which may be used or which may be used as models for this purpose. Applicants for several identical wells may submit a "typical data sheet" rather than submitting the data for each well.

B. The following must be submitted for each injection well covered by this application. All items must be addressed for the initial well. Responses for additional wells need be shown only when different. Information shown on schematics need not be repeated.

- (1) The name of the injection formation and, if applicable, the field or pool name.
- (2) The injection interval and whether it is perforated or open-hole.
- (3) State if the well was drilled for injection or, if not, the original purpose of the well.
- (4) Give the depths of any other perforated intervals and detail on the sacks of cement or bridge plugs used to seal off such perforations.
- (5) Give the depth to and name of the next higher and next lower oil or gas zone in the area of the well, if any.

XIV. PROOF OF NOTICE

All applicants must furnish proof that a copy of the application has been furnished, by certified or registered mail, to the owner of the surface of the land on which the well is to be located and to each leasehold operator within one-half mile of the well location.

Where an application is subject to administrative approval, a proof of publication must be submitted. Such proof shall consist of a copy of the legal advertisement which was published in the county in which the well is located. The contents of such advertisement must include:

- (1) The name, address, phone number, and contact party for the applicant;
- (2) the intended purpose of the injection well; with the exact location of single wells or the section, township, and range location of multiple wells;
- (3) the formation name and depth with expected maximum injection rates and pressures; and
- (4) a notation that interested parties must file objections or requests for hearing with the Oil Conservation Division, P. O. Box 2088, Santa Fe, New Mexico 87501 within 15 days.

NO ACTION WILL BE TAKEN ON THE APPLICATION UNTIL PROPER PROOF OF NOTICE HAS BEEN SUBMITTED.

NOTICE: Surface owners or offset operators must file any objections or requests for hearing of administrative applications within 15 days from the date this application was mailed to them.

P-564 126 550
 RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED
 NOT FOR INTERNATIONAL MAIL
 (See Reverse)

Sent to Flag-Redfern
 Street and No. P.O. Box 11050
 P.O. State and ZIP Code Midland, Tex 79702
 Postage \$ 25
 Certified Fee \$ 85
 Special Delivery Fee
 Restricted Delivery Fee
 Return Receipt showing to whom and Date Delivered \$ 90
 Return Receipt showing to whom (Date and Address of Delivery)
 TOTAL Postage and Fees \$ 200
 Postmark or Date APR 29 1988
 USPS

U.S.G.P.O. 153-506
 PS Form 3800, June 1985

P 241 347 979
 RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED
 NOT FOR INTERNATIONAL MAIL
 (See Reverse)

Sent to A.N. Muncy
 Street and No. 1910 Washington
 P.O. State and ZIP Code Artesia, N.M. 88210
 Postage \$ 25
 Certified Fee \$ 85
 Special Delivery Fee
 Restricted Delivery Fee
 Return Receipt showing to whom and Date Delivered \$ 90
 Return Receipt showing to whom (Date and Address of Delivery)
 TOTAL Postage and Fees \$ 200
 Postmark or Date APR 29 1988
 USPS

U.S.S.G.P.O. 1985-480-799
 PS Form 3800, June 1985

P 241 347 980
 RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED
 NOT FOR INTERNATIONAL MAIL
 (See Reverse)

Sent to Pardue Farms
 Street and No. P. 6 Box 2018
 P.O. State and ZIP Code Artesia, N. Mex 88220
 Postage \$ 25
 Certified Fee \$ 85
 Special Delivery Fee
 Restricted Delivery Fee
 Return Receipt showing to whom and Date Delivered \$ 90
 Return Receipt showing to whom (Date and Address of Delivery)
 TOTAL Postage and Fees \$ 200
 Postmark or Date APR 29 1988
 USPS

U.S.S.G.P.O. 1985-480-794
 PS Form 3800, June 1985

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.
 Your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

Show to whom delivered, date, and addressee's address. Restricted Delivery.

Article Addressed to:
Flag-Redfern
P.O. Box 11050
Midland, Tex 79702

Signature - Addressee
 Signature - Agent
 Date of Delivery

4. Article Number 5-564 126 550
 Type of Service: Registered Certified Express Mail Insured COD

8. Addressee's Address (ONLY if requested and fee paid)
 Always obtain signature of addressee or agent and DATE DELIVERED.

DOMESTIC RETURN RECEIPT
 Form 3811, Feb. 1986

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.
 Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

Show to whom delivered, date, and addressee's address. Restricted Delivery.

Article Addressed to:
A.N. Muncy
1910 Washington
Artesia, N. Mex 88210

Signature - Addressee
 Signature - Agent
 Date of Delivery

4. Article Number P 243 347 974
 Type of Service: Registered Certified Express Mail Insured COD

8. Addressee's Address (ONLY if requested and fee paid)
 Always obtain signature of addressee or agent and DATE DELIVERED.

DOMESTIC RETURN RECEIPT
 Form 3811, Feb. 1986

P-564 126 552
 RECEIPT FOR CERTIFIED MAIL
 REGISTERED MAIL
 EXPRESS MAIL
 (See Reverse)

S. + J. Operating
 P.O. Box 2249
 Wichita Falls, Tex. 76307

25
 85
 90
 200



PS Form 3800, June 1985

Postmark or
 ARTESIA, NM 88210
 APR 29 1988
 USPS

Return Receipt showing
 to whom and Date Delivered

Date and Address shown to whom
 TOTAL POSTAGE

Restricted Delivery Fee

Special Delivery Fee

Certified Fee

Postage
 P.O. Box 10340
 Midland, Tex 79702

Sheet No
 P-564

Sheet No
 25

Sheet No
 85

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.
 Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person postmaster for fees and check boxes for additional services are available. Consult

1. Show to whom delivered, date, and addressee's address.

2. Restricted Delivery.

3. Article Addressed to:
 P-564 126 551
 P.O. Box 10340
 Midland, Tex 79702

4. Article Number
 P-564-126 551

Type of Service:
 Registered
 Certified
 Express Mail

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature - Addressee
 Signature - Agent

6. Signature - Agent
 [Signature]

7. Date of Delivery
 MAY 3 1988

8. Addressee's Address (ONLY if requested and fee paid)
 Insured
 COD

DOMESTIC RETURN RECEIPT
 PS Form 3817, Feb. 1986

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.
 Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person postmaster for fees and check boxes for additional services are available. Consult

1. Show to whom delivered, date, and addressee's address.

2. Restricted Delivery.

3. Article Addressed to:
 Pardue Farms
 P.O. Box 2018
 Carlsbad, N Mex 8820

4. Article Number
 241 347 980

Type of Service:
 Registered
 Certified
 Express Mail

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature - Addressee
 Signature - Agent

6. Signature - Agent
 [Signature]

7. Date of Delivery
 APR 29 1988

8. Addressee's Address (ONLY if requested and fee paid)
 Insured
 COD

DOMESTIC RETURN RECEIPT
 PS Form 3817, Feb. 1986

SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.
 Put your address in the "RETURN TO" space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person postmaster for fees and check boxes for additional services are available. Consult

1. Show to whom delivered, date, and addressee's address.

2. Restricted Delivery.

3. Article Addressed to:
 S. + J. Operating
 P.O. Box 2249
 Wichita Falls, Tex

4. Article Number
 P-564 126 552

Type of Service:
 Registered
 Certified
 Express Mail

Always obtain signature of addressee or agent and DATE DELIVERED.

5. Signature - Addressee
 Signature - Agent

6. Signature - Agent
 [Signature]

7. Date of Delivery
 APR 29 1988

8. Addressee's Address (ONLY if requested and fee paid)
 Insured
 COD

DOMESTIC RETURN RECEIPT
 PS Form 3817, Feb. 1986

KERSEY & COMPANY

OIL PRODUCTION

Phone 746-8671 • 808 W. Grand

ARTESIA, NEW MEXICO 88210

June 8, 1988

Mr. William J. LeMay
Oil Conservation Commission
P.O. Box 2088
Santa Fe, NM 87501

RE: Request for Administrative Approval
for Salt Water Disposal Well located
Section 24-T19S-R28E, Eddy Co., NM

Dear Mr. LeMay:

Attached to this letter is a copy of a legal notice published in the Artesia Daily Press June 7, 1988 pertaining to the above request for administrative approval.

We appreciate your attention and help in this matter.

Yours very truly,

KERSEY & COMPANY



Harold Kersey
HK/pt

Kersey & Company has applied to the New Mexico Oil Conservation Division for administrative approval for a salt water disposal well to be located in SW/4 NE/4 of Section 24, Township 19 South, Range 28 East N.M.P.M. in Eddy County, New Mexico. Applicant will use an abandoned deep test to dispose of disposal water in the area. Water will be injected in the Queen, Grayburg, and San Andres formations (perforations) between 1624 and 2050' at a maximum injection pressure of 500 psi. Any questions concerning this project may be directed to Ken Wade Phone #748-3433, Artesia, New Mexico. Interested parties must file objections or request for hearing with the Oil Conservation Commission, P.O. Box 2088, Santa Fe, New Mexico within 15 days. Published in the Artesia Daily Press, Artesia, New Mexico, June 7, 1988.

LEGAL NOTICE

NOTICE IS hereby given that

Legal 12364