

CASE 3599: Appli. of FRANKLIN,  
ASTON & FAIR, INC. for a water-  
flood project, Eddy County, N.M.



CASE No.  
3599

Application,  
TRANSCRIPTS,  
SMALL Exhibits  
ETC.



Franklin Aston & Fair  
Grayburg Jackson

Grayburg San Andres  
formations

2 mi. W. 1162  
660 N & E

Eddy Co.

Hudson #1 A 13-17-31

#5 1160' FNL 17-17-31  
2480' FNL

Call Paul Esten



OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO

August 21, 1967

C  
Mr. Paul Eaton  
Hinkle, Bondurant & Christy  
Attorneys at Law  
Post Office Box 10  
Roswell, New Mexico

O  
Dear Sir:

Reference is made to Commission Order No. R-3265, entered in Case No. 3599 approving the Franklin, Aston & Fair Hudson Water-flood Project.

P  
Injection is to be through the two authorized water injection wells, each of which shall be equipped with a string of tubing and a packer, said packer being set as near to the casing shoe as is practicable. Where more than one zone is put on selective injection, injection will also be down the casing-tubing annulus. In the event produced water is injected, the tubing shall be plastic coated internally and injection of said produced water limited to the tubing.

Y  
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-E-3 is 182 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



OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO

-2-

Mr. Paul Eaton  
Hinkle, Bondurant & Christy  
Attorneys at Law  
Post Office Box 10  
Roswell, New Mexico

C  
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.

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

Very truly yours,

A. L. PORTER, Jr.  
Secretary-Director

P  
ALP/DSH/ir

cc: Oil Conservation Commission Offices in Hobbs and Artesia

U. S. Geological Survey - Artesia, New Mexico

Mr. Frank Irby, State Engineer Office, Santa Fe, N. Mex.

Y



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. 3599  
Order No. R-3265

APPLICATION OF FRANKLIN, ASTON &  
FAIR, INC., FOR A WATERFLOOD PROJ-  
ECT, EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on June 28, 1967,  
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 10th day of July, 1967, the Commission, a  
quorum being present, having considered the testimony, the record,  
and the recommendations of the Examiner, 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, Franklin, Aston & Fair, Inc., seeks  
permission to institute a waterflood project in the Grayburg-  
Jackson Pool by the injection of water into the Grayburg-San  
Andres formations through its Hudson Well No. 5 to be drilled at  
an unorthodox location 2480 feet from the North line and 1160  
feet from the West line of Section 17; and through its Hudson  
Well No. 1 located 660 feet from the North line and 660 feet from  
the East line of Section 18, both in Township 17 South, Range 31  
East, NMPM, Eddy County, New Mexico.

(3) That the wells in the project area are in an advanced  
state of depletion and should properly be classified as "stripper"  
wells.

(4) That the proposed waterflood project should result in  
the recovery of otherwise unrecoverable oil, thereby preventing  
waste.



-2-

CASE No. 3599  
Order No. R-3265

(5) That the subject application should be approved and the project should be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

IT IS THEREFORE ORDERED:

(1) That the applicant, Franklin, Aston & Fair, Inc., is hereby authorized to institute a waterflood project in the Grayburg-Jackson Pool by the injection of water into the Grayburg-San Andres formations through its Hudson Well No. 5 to be drilled at an unorthodox location 2480 feet from the North line and 1160 feet from the West line of Section 17, and through its Hudson Well No. 1 located 660 feet from the North line and 660 feet from the East line of Section 18, both in Township 17 South, Range 31 East, NMPM, Eddy County, New Mexico.

(2) That the subject waterflood project is hereby designated the F. A. F. Hudson Waterflood Project and shall be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

(3) That monthly progress reports of the waterflood project herein authorized shall be submitted to the Commission in accordance with Rules 704 and 1120 of the Commission Rules and Regulations.

(4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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



STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

*David F. Cargo*  
DAVID F. CARGO, Chairman

*Guyton B. Hays*  
GUYTON B. HAYS, Member

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



State of New Mexico  
Oil Conservation Commission



P. O. BOX 2088  
SANTA FE

Other \_\_\_\_\_



Case. 3599.

Heard. 6-28-67

Rec. 6-28-67

Grant Franklin Astor & Fair permission  
to convert their Hudson #1, 666/N + E  
18-17S-31E to an injection well and to  
drill their Hudson #5 1160/W + 2488/N,  
line sec. 17-17S-31E.

~~E~~

Shirley J. J.

~~Shirley J. J.~~

11



CLARENCE E. HINKLE  
W. E. BONDURANT, JR.  
S. B. CHRISTY IV  
LEWIS C. COX, JR.  
PAUL W. EATON, JR.  
CONRAD E. COFFIELD  
HAROLD L. HENSLEY, JR.  
MICHAEL R. WALLER  
STUART D. SHANOR

LAW OFFICES  
HINKLE, BONDURANT & CHRISTY  
600 HINKLE BUILDING  
ROSWELL, NEW MEXICO 88201

MIDLAND, TEXAS OFFICE  
521 MIDLAND TOWER  
(915) MU 3-4691  
OF COUNSEL: HIRAM M. DOW

June 14, 1967

TELEPHONE (505) 622-6510  
POST OFFICE BOX 10

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

Attention: Mr. A. L. Porter, Jr.

Re: Franklin, Aston & Fair, Inc.  
Water Flood Project

Gentlemen:

On June 7, 1967 we mailed to you Application of Franklin, Aston & Fair, Inc. for authority to institute a water flood project. At that time we advised you that we would furnish diagrammatic sketches of the proposed injection wells. We now enclose in triplicate sketches of the Hudson No. 1 and the Hudson No. 5 proposed injection wells. Copies of these sketches are being furnished the New Mexico State Engineer and the United States Geological Survey.

Yours very truly,

HINKLE, BONDURANT & CHRISTY

*Paul W. Eaton, Jr.*  
Paul W. Eaton, Jr.

PWE/jw

cc: New Mexico State Engineer  
Mr. James Knauf  
Franklin, Aston & Fair, Inc.

67 JUN 15 PM 1 18



June 14, 1967

MAIN OFFICE

'67 JUN 15 AM 8 04

Mr. Paul W. Eaton, Jr.  
Attorney at Law  
Roswell, N. M.

Dear Mr. Eaton:

Receipt of a copy of your application on behalf of Franklin, Aston and Fair, Inc., seeking Oil Conservation Commission authorization to institute a waterflood project in parts of Sections 17 and 18, T. 17 S., R. 31 E., is gratefully acknowledged.

FBI/ma  
cc-Oil Conservation Commission

Yours truly,

S. E. Reynolds  
State Engineer

By:  
Frank E. Irby  
Chief  
Water Rights Div.



CLARENCE E. HINKLE  
W. E. BONDURANT, JR.  
S. B. CHRISTY IV  
LEWIS C. COX, JR.  
PAUL W. EATON, JR.  
CONRAD E. COFFIELD  
HAROLD L. HENSLEY, JR.  
MICHAEL R. WALLER  
STUART D. SHANOR

LAW OFFICES  
HINKLE, BONDURANT & CHRISTY  
600 HINKLE BUILDING  
ROSWELL, NEW MEXICO 86201

June 7, 1967

MAIN OFFICE 110

9 AM 8 13  
JUN 9 1967

MIDLAND, TEXAS OFFICE  
521 MIDLAND TOWER  
(915) MU 3-4691  
OF COUNSEL: HIRAM M. DOW

TELEPHONE (505) 622-6510  
POST OFFICE BOX 10

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

*Case 3579*

Attention: Mr. A. L. Porter, Jr.

Re: Franklin, Aston & Fair, Inc.  
Water Flood Project

Gentlemen:

We enclose in triplicate application of Franklin, Aston & Fair, Inc. for authority to institute a water flood project. Copies of the Application and the Exhibits attached thereto have been mailed to the New Mexico State Engineer and to Mr. James Knauff of the United States Geological Survey. The diagrammatic sketch of the proposed injection well will be forwarded to you next week, and copies will also be sent to the New Mexico State Engineer and Mr. Knauff.

The address of Franklin, Aston & Fair, Inc. is P.O. Box 1090, Roswell, New Mexico. We understand that the Application will be set for hearing on June 28, 1967.

Yours very truly,

HINKLE, BONDURANT & CHRISTY

*Paul W. Eaton, Jr.*  
Paul W. Eaton, Jr.

PWE/jw  
Enclosure

cc: New Mexico State Engineer  
Mr. James Knauff  
Franklin, Aston & Fair, Inc.

DOCKET MAILED

Date *6/15/67*



BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

APPLICATION OF FRANKLIN, ASTON AND FAIR, INC. )  
FOR AUTHORITY TO INJECT WATER FOR A WATER )  
FLOOD PROJECT, EDDY COUNTY, NEW MEXICO )

Case No. 3599

Comes now, Franklin, Aston and Fair, Inc., by its undersigned attorneys, and makes application for authority to inject water for a water flood project in Eddy County, New Mexico in accordance with Rule 701 of the Rules of the New Mexico Oil Conservation Commission, and in support thereof respectfully shows:

1. Applicant is the operator of United States Oil and Gas Lease LC 054908 covering the following described lands in Eddy County, New Mexico, being the project area, to-wit:

Township 17 South, Range 31 East, N.M.P.M.

Section 17:  $W\frac{1}{2}NW\frac{1}{4}$

Section 18:  $E\frac{1}{2}NE\frac{1}{4}$

containing 160 acres.

Said lease is owned by Fair Oil Company, Estate of Bert Aston, deceased, and Richard L. Ray, Trustee.

2. The production wells in the project area are in a advanced state of depletion and are commonly referred to as "stripper" wells. The proposed water flood project will result in the recovery of otherwise unrecoverable oil, thereby preventing waste.

3. Applicant proposes to inject water (to be obtained from Sinclair Oil & Gas Company) in the San Andres and Grayburg formation in the Grayburg-Jackson pool at a depth of approximately 3520 feet, such water to be injected in the Hudson No. 1 well located 660 feet from the north line and 660 feet from the east line of Section 18, Township 17 South, Range 31 East, N.M.P.M., and in a well to be drilled and to be designated as the Hudson No. 5 well to be located



1,160 feet from the west line and 2,480 feet from the north line of Section 17, Township 17 South, Range 31 East, N.M.P.M.; approximately 400 barrels of water per day will be injected in each well. The United States Geological Survey has given its informal approval to the drilling of the Hudson No. 5 well and to the proposed water flood project.

4. Applicant seeks the establishment of the usual allowable for the project area as provided by the rules of the Commission.

5. There is attached hereto the following:

(a) A plat identified as Exhibit "A" showing the location of the proposed injection wells, the location of all other wells within a radius of two miles from said proposed injection wells, and the lessees within said two mile radius. All wells shown are essentially producing from either the Grayburg or San Andres formations.

(b) The electrical log of the Hudson No. 1 well identified as Exhibit "B".

A diagrammatic sketch of the proposed injection wells will be forwarded to the Oil Conservation Commission, to the State Engineer of the State of New Mexico, and to the United States Geological Survey prior to hearing on this application.

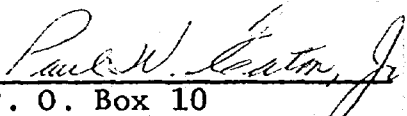
6. A copy of this application, complete with all attachments, has been sent to the State Engineer Office, Capitol Building, Santa Fe, New Mexico, and to United States Geological Survey, Artesia, New Mexico.

Applicant requests that this matter be set down for hearing at the earliest possible date.

Respectfully submitted,

HINKLE, BONDURANT & CHRISTY

By:

  
P. O. Box 10  
Roswell, New Mexico  
Attorneys for Franklin, Aston &  
Fair, Inc.



dearnley-meier reporting service, inc.

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

1120 SIMAS BLDG. • P. O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO

BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
EXAMINER HEARING

June 28, 1967

-----  
IN THE MATTER OF: )

Application of Franklin, Aston )  
and Fair, Inc. for a waterflood )  
project, Eddy County, New Mexico. )

Case No. 3599

-----  
BEFORE: Elvis A. Utz, Examiner.

TRANSCRIPT OF HEARING



MR. UTZ: We will take up Case 3599.

MR. HATCH: Application of Franklin, Aston and Fair, Inc. for a waterflood project, Eddy County, New Mexico.

(Witness sworn.)

(Whereupon, Applicant's Exhibits Nos. 1 through 7 were marked for identification.)

MR. EATON: Mr. Examiner, I am Paul W. Eaton, Junior of the firm of Hinkle, Bondurant and Christy, representing the Applicant, Franklin, Aston and Fair, Inc.

GRANT M. SMITH

called as a witness, having been first duly sworn, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. EATON:

Q Please state your name, address, occupation and employer.

A I am Grant M. Smith of 1112 Rancho Road, Roswell, New Mexico, and I am employed by Franklin, Aston and Fair, Incorporated, as petroleum geologist.

Q Are you familiar with the property and wells involved in this case?

A I am.

Q Is Franklin, Aston and Fair the operator of the property?



A Yes.

Q Have you previously testified before the New Mexico Oil Conservation Commission as a petroleum geologist?

A Yes.

MR. EATON: Mr. Examiner, would you accept Mr. Smith's qualifications as a petroleum geologist?

MR. UTZ: Yes, sir, he's qualified.

Q (By Mr. Eaton) Mr. Smith, are you familiar with the application of Franklin, Aston and Fair in this case?

A Yes.

Q What does it seek by its application?

A It seeks to start a waterflood in Sections 18 and 17 of Township 17 South, Range 31 East, Eddy County, New Mexico.

Q I hand you what has been marked as Exhibit 1 and ask you to state what it reflects.

A This is a map showing the location of all wells and leases within two miles of the subject area which is shown in the cross-hatched section of the map. It also shows the present injection wells being operated by Sinclair in their waterflood project. Also in the cross-hatched area are two triangles, the one in the upper left-hand corner is a well proposed for conversion to water injection and the one in the lower right-hand corner is a proposed well for water injection.

Q Was this exhibit prepared by you or under your



supervision?

A Yes.

Q The exhibit shows, I believe, four producing wells within the project area?

A Yes.

Q Are these wells productive at this time?

A Yes.

Q What formation are they producing from and at what depth?

A Primarily they are producing from the Grayburg-Jackson at approximately 3400 to 3500 feet; however, most of the wells in that area at that time were completed open hole and these wells have approximately 700 feet of open hole in them, but it is believed that most of the production is from the Grayburg-Jackson.

Q Would you state or give the productive history of these wells and also state when the wells were drilled?

A The first well was drilled in January of 1939.

Q By the first well do you mean --

A The Hudson No. 1. 660 from the north and 660 from the east line of Section 18. The last well, the No. 4, was completed in January, January 21, 1942.

Q Would you give the production history on these wells, please?



A The lease total for these wells as of the first of January this year was 321,429 barrels of oil.

Q What is the current daily production of the wells?

A The current daily production will average a little better than a barrel of oil a day.

Q Are these wells commonly known as stripper wells?

A Yes, they are.

Q If the proposed secondary recovery project is not initiated immediately, what will be the effect on the current production?

A The current production would probably increase but we would be suffering drainage as the flood of the wells to the north and the east moves the oil off of this lease.

Q How do you propose to initiate and conduct the waterflood operation?

A Our first step would be to immediately convert the Hudson No. 1 well to an injection well and soon after to drill the proposed well which will be the Hudson No. 5, and make it an injection well for backup.

Q Has a log of the Hudson No. 1 previously been furnished to the Commission and to the State Engineer?

A Yes.

Q Would you give the exact location of the Hudson No. 1 on the proposed Hudson No. 5 well?



A The Hudson No. 1 is 660 from the north and 660 from the east line of Section 18; the proposed well will be 1160 from the west line and 2480 from the north line of Section 17.

Q Now, Mr. Smith, why do you desire the injection wells at these particular locations?

A The primary reason for converting the Hudson No. 1 to an injection well is that it is on pattern with the existing flood and the No. 5 is to give backup and prevent drainage from Franklin, Aston and Fair's lease. As you can note, the Hudson No. 2 and the Hudson No. 3 wells are located in the Northwest Corners of their respective 40-acre spacing.

Q What are the names of the offset operators?

A The offset operators are Sinclair and Murchison and Closuit and Sunray.

Q Has Franklin, Aston and Fair notified these offset operators of the proposed waterflood project?

A Yes, they have.

Q Have they objected to the project?

A No.

Q I hand you what has been marked as Exhibits 2, 3 and 4 and ask you to state what they are.

A These are letters of consent from Sinclair and Sunray and Murchison and Closuit.

Q Indicating no form of objection at all to the --



A To the unorthodox location.

Q Next, Mr. Smith, I hand you what has been marked as Exhibit 5. I will ask you to state what it reflects.

A No. 5 is a letter from the United States Geological Survey giving consent to the proposed well.

Q Exhibit No. 5 also approves the proposed waterflood project?

A The waterflood, yes.

Q Now, directing your attention to the proposed injection wells, have you caused to be prepared diagrammatic sketches of each well showing the casing and cement programs?

A Yes.

Q In that connection, I hand you what has been marked as Exhibits 6 and 7 and ask you to state what they portray.

A No. 6, Exhibit No. 6 is a diagrammatic sketch of the existing well, the Hudson No. 1 well, showing the surface casing and the production string and the depth of the hole. No. 7 is a diagram of the proposed Hudson No. 5 well, as it will be completed.

Q Both of these exhibits show the cement program, do they not?

A Yes.

Q Were these exhibits prepared by you or under your supervision?



A Yes.

Q Mr. Smith, what will be the source of the water which you propose to inject?

A The water will be supplied by Sinclair from their flood to our lease line.

Q Do you know where Sinclair obtains its water?

A From their own water leases.

MR. UTZ: What formation is that water out of?

A I believe that's the Ogallala.

Q (By Mr. Eaton) How much water do you propose to inject in the two wells and at what wellhead pressure?

A We plan to inject from four to six hundred barrels of oil per day per well.

MR. UTZ: Water per day?

MR. EATON: Of water, about 400 to 600 barrels of water.

A Water, right. Did I say oil?

Q (By Mr. Eaton) You said oil.

A At 2,000 pounds.

Q Will produced water be recycled through the injection wells?

A Yes. Sinclair has, with our agreement for them to supply the water, they will take the produced water and recycle it.



Q How soon after you begin the waterflood do you expect a response?

A I would say from six months to one year.

Q Can you give an opinion as to the amount of oil you expect to recover from the proposed waterflood?

A We would hope to recover at least as much as our primary production was, which was 321,429 barrels of oil from the lease.

Q In your opinion is it reasonable to assume that you may recover even more than the amount of your primary?

A There's a good possibility.

Q In your opinion will the proposed waterflood project be in the interest of conservation and prevention of waste?

A Yes.

Q In your opinion will the correlative rights of all other interested parties be protected under the proposed project?

A Yes.

Q In your opinion will the proposed project result in the maximum recovery of oil from the project area?

A Yes.

Q Is it the desire of Franklin, Aston and Fair that the maximum allowable be assigned to this waterflood project?

A Yes.



MR. EATON: Mr. Examiner, I believe that's all the questions I have of this witness. I would ask that all exhibits be admitted into the record and that the exhibits attached to the application be considered part of the record.

MR. UTZ: All right. Exhibits 1 through 7 will be entered into the record of this case. The application, of course, will be a part of the record.

(Whereupon, Applicant's Exhibits 1 through 7 were offered and admitted in evidence.)

CROSS EXAMINATION

BY MR. UTZ:

Q Mr. Smith, in reference to your Exhibit No. 6, and particularly your casing, cementing program, that well is now completed, is that correct?

A Yes. That was the first well drilled on the lease.

Q What was the date that well was completed?

A It was completed May the 20th, 1939.

Q And this is the manner in which it was completed at that time, I presume?

A Yes, sir.

Q Do you have any idea how far up the cement, or what the top of the cement is on the 8-1/4-inch surface casing?

A No, not accurately.

Q Did you make any calculation?



A When we convert this well we will probably run a gamma ray neutron log and attempt to establish the top of the cement.

Q Did you make any calculations that would indicate how far up the 50 sacks might go?

A Oh, I would suspect that they would go up 150 to 200 feet.

Q The same questions in regard to your 7-inch and the hundred sacks used there.

A On the No. 1 well?

Q Yes.

A I would think that the hundred sacks or the 50 sacks that were used in that one are probably not up over a hundred feet.

Q Well, this shows a hundred sacks on this Exhibit No. 6 that were used on the 7-inch.

A Oh, the 7-inch, I thought you were talking about the surface casing. No, the hundred sacks on the 7-inch, I would say would bring that up to 200 feet above the casing anyway. I was confused, I thought you were talking about the surface casing on that.

Q 200 feet above the casing shoe?

A Yes.

Q This water at the present time that you are going to

dearnley-meier reporting



inject is fresh water, I presume?

A Yes.

Q Do you intend to inject this water through tubing?

A Through tubing. It's our understanding that in the offset wells some of them are injecting through open hole below the 7-inch casing, or whatever casing is set in them, and some of the new wells are injecting through tubing and through the casing where they are injecting into more than one zone. We would inject into the Grayburg-Jackson pay through tubing and if necessary, into the other indicated pay zone through the casing.

Q All your injection will be below the 2780-foot level, will it not?

A That is correct.

Q Do you intend to use a packer on your tubing?

A Yes, sir.

Q And will the same type of injection be used on your No. 5 well?

A Yes, sir.

Q Will this tubing be lined?

A If they're using recycled water it will be lined. It's my understanding that where they are injecting the fresh water it isn't lined but when they are using recycling, it is.

Q But you will not line your tubing at the present time,

dearnley-meier reporting

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

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1400 FIRST NATIONAL BANK EAST • PHONE 256-1294 • ALBUQUERQUE, NEW MEXICO 87108



but when you start using recycled water you will change the tubing string?

A Yes, sir.

Q Have you received any response from the flood to the northeast on your producing wells yet?

A We feel that there has been a slight response. The over-all lease production a few months back increased from 600 barrels to 900, and in testing we felt that it was from the No. 2 well, but it has declined a little in the past month or so.

Q Are you producing the No. 1 well now?

A Yes, sir.

Q And it didn't show any response?

A It has shown no response.

MR. UTZ: Are there any other questions of the witness? The witness may be excused.

(Witness excused.)

MR. UTZ: Are there any statements in this case? The case will be taken under advisement.



I N D E XWITNESSPAGE

GRANT M. SMITH

Direct Examination by Mr. Eaton

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Cross Examination by Mr. Utz

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EXHIBITMARKEDOFFERED AND  
ADMITTED

Applicant's 1 through 7

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STATE OF NEW MEXICO )  
 ) ss  
COUNTY OF BERNALILLO )

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

Witness my Hand and Seal this 30th day of June, 1967.

*Ada Dearnley*  
NOTARY PUBLIC

My Commission Expires:

June 19, 1971.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 3588, heard by me on June 25, 1962.

*Shirley D. [Signature]*, Examiner  
New Mexico Oil Conservation Commission



EXHIBIT 2.



SINCLAIR OIL & GAS COMPANY  
P. O. Box 1470  
MIDLAND, TEXAS 79701

June 1, 1967

WEST TEXAS REGION

Franklin, Aston & Fair, Inc.  
P. O. Box 1090  
Roswell, New Mexico 88201

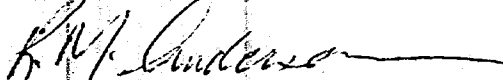
Attention: Mr. R. R. Aston

Gentlemen:

Sinclair Oil & Gas Company has no objection to the drilling of an injection well to be located 1160 feet from the West Line and 2480 feet from the North Line of Section 17-17S-31E Grayburg-Jackson Pool, Eddy County, New Mexico.

It is our understanding that water will be injected in cooperation with Sinclair's offset waterflood projects into the Premier and Jackson zones found in the interval from 2950 feet to 3500 feet in this area.

Yours very truly,

  
R. M. Anderson  
Region Regulatory Engineer

RMA/h1

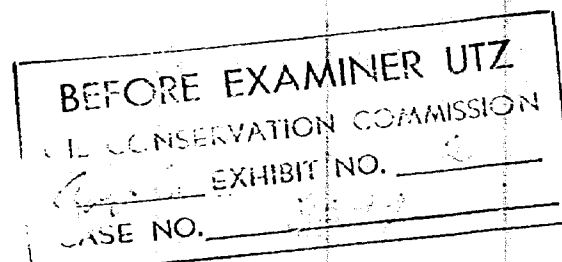




EXHIBIT 3.

**FRANKLIN, ASTON & FAIR, INC.**  
**OIL PRODUCERS**

P. O. BOX 1090  
101 N. MISSOURI AVE.  
ROSWELL, NEW MEXICO 88201

TELEPHONE:  
AREA CODE 505 622-2040

**R. R. ASTON**  
PRESIDENT

**TOM P. STEPHENS**  
EXECUTIVE VICE PRESIDENT  
TREASURER

**LADORA LUCAS**  
VICE PRESIDENT

**RICHARD L. RAY**  
VICE PRESIDENT

**MARY ANN MORRISON**  
SECRETARY

May 29, 1967

Mr. Ernest Closuit  
Murchison & Closuit  
1019 Fort Worth National Bank Building  
Fort Worth, Texas

Re: Grayburg-Jackson Pool  
Eddy County, New Mexico  
Expansion Sinclair Keel-West  
Waterflood Project

Dear Mr. Closuit:

In reference to our telephone conversation of this date, I request that you indicate your willingness for Franklin, Aston & Fair, Inc. to drill an unorthodox well to be used for injection of water under the above referred to waterflood. This injection well would be drilled to a depth of approximately 3,500 feet or sufficient to allow injection of water into the Grayburg-Jackson formation.

The location of the injection well would be 1160' FWL and 2480' FNL of Section 17, Township 17 South, Range 31 East, Eddy County, New Mexico.

This well would be a diagonal northwest offset to your property in the NE $\frac{1}{4}$ SW $\frac{1}{4}$  of Section 17, Township 17 South, Range 31 East. It is my understanding that your wells in this area are presently cased through the Grayburg zone and are producing from the San Andres formation.

I request that you indicate your approval to the drilling of this unorthodox injection well in the location indicated above. Your signature in the space provided below will indicate your compliance with this request.

Thanking you for your cooperation in this matter, I remain,

Sincerely yours,

FRANKLIN, ASTON & FAIR, INC.

By: R. R. Aston  
R. R. Aston

Approved this 8<sup>th</sup> day of June, 1967.

ERNEST  
MURCHISON & CLOSUIT

By: [Signature]

BEFORE EXAMINER UTZ	
OIL CONSERVATION COMMISSION	
<u>Local</u>	EXHIBIT NO. <u>3</u>
CASE NO.	<u>3599</u>



EXHIBIT 4.

## Sunray DX Oil Company

District Office



P. O. Box 1416  
Roswell, New Mexico  
June 1, 1967

Franklin Aston & Fair, Inc.  
P. O. Box 1090  
Roswell, New Mexico

Re: Unorthodox Injection Well Location  
2480' FNL & 1160' FWL, Section 17,  
T-17-S, R-29-E, Grayburg Jackson  
Field, Eddy County, New Mexico.

Gentlemen:

Sunray DX Oil Company has been notified of your plans to drill a water injection well at an unorthodox location of 2480' FNL and 1160' FWL of Section 17, T-17-S, R-29-E, Eddy County, New Mexico.

Sunray DX Oil Company is in agreement with statewide spacing rules and therefore opposed to the drilling of wells at unorthodox locations unless there is a specific and valid reason for so doing. These reasons would include such things as adverse topographic conditions or the recompletion of wells previously drilled to other horizons.

Since the royalty interest is the same underlying your lease and ours, Sunray DX Oil Company as an offset operator would offer no formal objection to your proposed location. We do feel however, that due to the standard locations of the two injection wells offsetting your lease a point is being stretched somewhat in requesting the proposed exception.

Sincerely,

SUNRAY DX OIL COMPANY

C. T. McClanahan  
Roswell District Production Manager

CTM:JBH:sk

cc: E. H. Ramsey

BEFORE EXAMINER UTZ	
OIL CONSERVATION COMMISSION	
EXHIBIT NO.	4
CASE NO.	7347





UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY  
P. O. Drawer U  
Artesia, New Mexico 88210

EXHIBIT 5.  
IN REPLY REFER TO:

June 19, 1967

Franklin, Aston, and Fair, Inc.  
Post Office Box 1090  
Roswell, New Mexico 88201

Gentlemen:

Your letter of June 14, 1967, requests approval to operate a waterflood project of the Grayburg-San Andres formation in the Grayburg-Jackson pool on that portion of Oil and Gas lease Las Cruces 054908 described as follows:

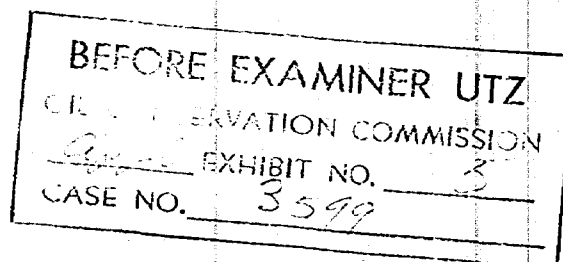
T. 17 S., R. 31 E., N.M.P.M., Eddy County, New Mexico

sec. 17:  $W\frac{1}{2}NW\frac{1}{4}$   
sec. 18:  $E\frac{1}{2}NE\frac{1}{4}$

You propose to convert well No. 1, located in  $NE\frac{1}{4}NE\frac{1}{4}$  sec. 18 to water injection and to drill No. 5 as a water injection well located in the  $SW\frac{1}{4}NW\frac{1}{4}$  sec. 17 to form a modified 80-acre 5-spot flood pattern.

The plan for operating the above described waterflood project as proposed in the application is satisfactory to this office and hereby approved subject to like approval by the New Mexico Oil Conservation Commission and the following:

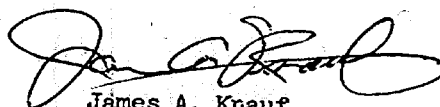
1. This project will be operated in compliance with the New Mexico Oil Conservation Commission regulations governing waterflood operations.
2. Duplicate copies of a monthly progress report (New Mexico Oil Conservation Commission Form-C-120 will suffice) are to be submitted to this office showing the volume of water injected and average pressure for the injection wells, and production for the production wells in the project area.





3. This approval does not preclude the necessity to submit the usual notices and reports on all wells involved.

Sincerely yours,



James A. Knauf  
District Engineer

Attachments

cc:  
Roswell

RLBeekman:mh 6/19/67



FRANKLIN, ASTON & FAIR, INC.  
 HUDSON NO. 1  
 GRAYBURG-JACKSON FIELD  
 660' FNL & 660' FEL  
 SECTION 18, T-17-S, R-31-E  
 EDDY COUNTY, NEW MEXICO

GL Elev. 3716'

*530  
150  
420 TC Est.*

Top of Salt 545'

570' - 8 1/4" 26# 8-Thread  
 (Baker Shoe)  
 50 Sacks of Cement

*2795  
200  
2595 TC Est.*

*5-39  
compd.  
Packer.*

2795' - 7" 24#  
 (Halliburton Shoe)  
 100 Sacks of Cement

Tubing 3496' (No Packer)  
 Plugged Back 3518 1/2"

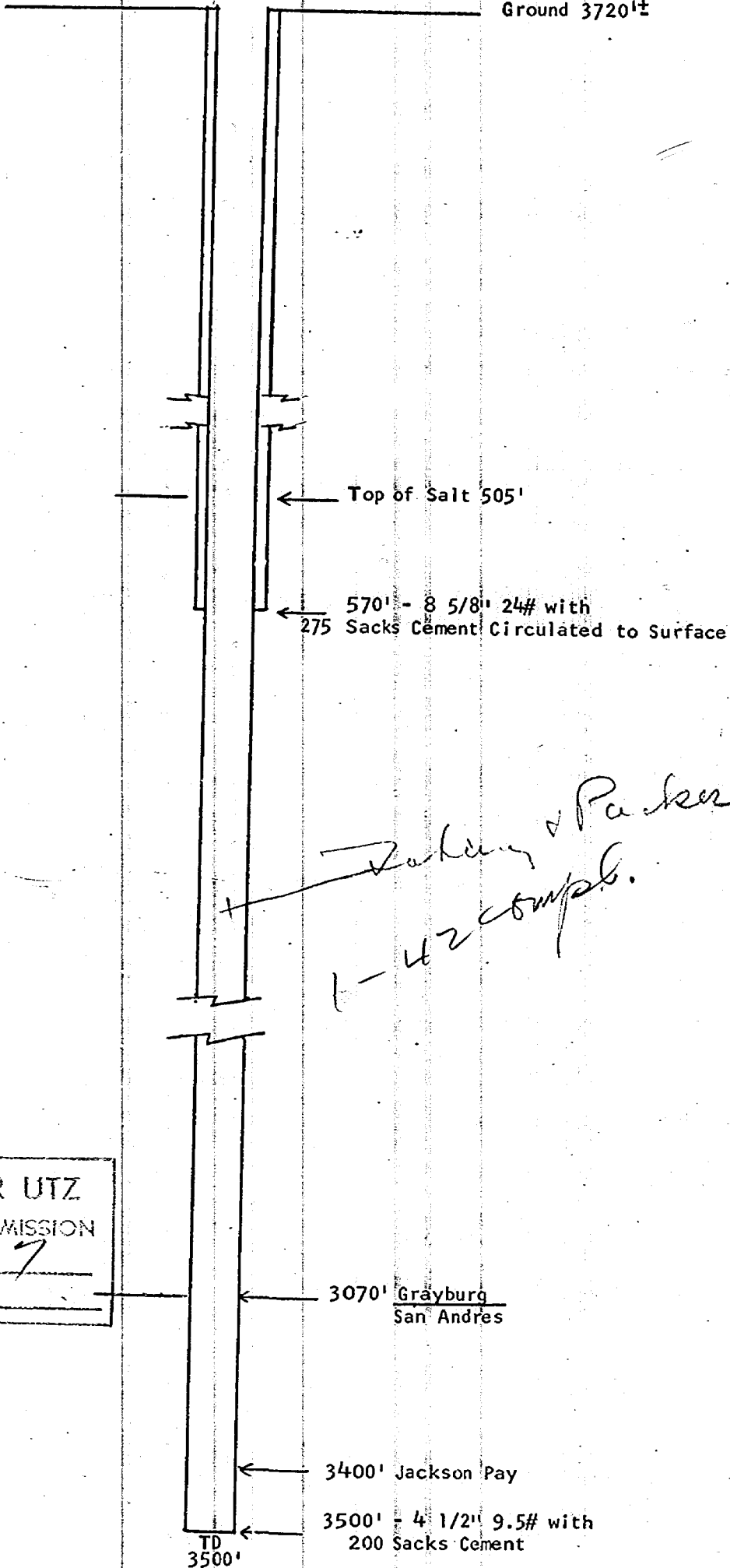
BEFORE EXAMINER UTZ  
 OIL CONSERVATION COMMISSION  
*Appl* EXHIBIT NO. *6*  
 CASE NO. *3599*

TD  
 3533'



FRANKLIN, ASTON & FAIR, INC.  
 HUDSON NO. 5  
 GRAYBURG-JACKSON FIELD  
 1160' FWL & 2480' FNL  
 SECTION 17, T-17-S, R-31-E  
 EDDY COUNTY, NEW MEXICO

Ground 3720±



← Top of Salt 505'

← 570' - 8 5/8" 24# with  
 275 Sacks Cement Circulated to Surface

*Reamer & Parker  
 1-42 comp.*

BEFORE EXAMINER UTZ  
 OIL CONSERVATION COMMISSION

EXHIBIT NO. 7  
 CASE NO. 3599

← 3070' Grayburg  
 San Andres

← 3400' Jackson Pay

← 3500' - 4 1/2" 9.5# with  
 200 Sacks Cement

TD  
 3500'