

# ENERGY AND MINERALS DEPARTMENT

## OIL CONSERVATION DIVISION

January 5, 1987



GARREY CARRUTHERS  
GOVERNOR

Kersey & Company  
P.O. Box 316  
Artesia, New Mexico 88210

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87501  
(505) 827-5800

Attention: Harold Kersey

Re: Administrative Order NFL-152

Dear Mr. Kersey:

Reference is made to your application for an Infill Well Finding and Well-Spacing Waiver made pursuant to Section 271.305(b) of the Federal Energy Regulatory Commission regulations, Natural Gas Policy Act of 1978, and Oil Conservation Division Order No. R-6013 for the following described well:

Hover State Well No. 6 located 330 feet from the North and East lines (Unit A) of Section 32, Township 17 South, Range 32 East, NMFM, Maljamar Grayburg San Andres Pool, Lea County, New Mexico.

THE DIVISION FINDS THAT:

(1) Section 271.305(b) of the Federal Energy Regulatory Commission Interim Regulations promulgated pursuant to the Natural Gas Policy Act of 1978 provides that, in order for an infill well to qualify as a new onshore production well under Section 103 of said Act, the Division must find, prior to the commencement of drilling, that the well is necessary to effectively and efficiently drain a portion of the reservoir covered by the proration unit which cannot be so drained by any existing well within that unit, and must grant a waiver of existing well-spacing requirements.

(2) By Division Order No. R-6013, dated June 7, 1979, the Division established an administrative procedure whereby the Division Director and the Division Examiners are empowered to act for the Division and find that an infill well is necessary.

(3) The well for which a finding is sought is to be completed in the Maljamar Grayburg San Andres Pool, and the standard spacing unit in said pool is 40 acres.

(4) A standard 40-acre oil proration unit comprising the NE/4 NE/4 (Unit A) of Section 32, Township 17 South, Range 32 East, is currently dedicated to the Hover State Well No. 1 also located in Unit A of said Section 32.

(5) Said unit is not being effectively and efficiently drained by the existing well on the unit.

(6) The drilling and completion of the well for which a finding is sought should result in the production of an additional 25,820 MCF of gas from the proration unit which would not otherwise be recovered.

(7) All the requirements of Division Order No. R-6013 have been complied with, and the well for which a finding is sought is necessary to effectively and efficiently drain a portion of the reservoir covered by said proration unit which cannot be so drained by any existing well within the unit.

(8) In order to permit effective and efficient drainage of said proration unit, the subject application should be approved as an exception to the standard well spacing requirements for the pool.

IT IS THEREFORE ORDERED THAT:

(1) The applicant is hereby authorized to drill the Hover State Well No. 6 as described above, as an infill well on the existing 40-acre oil proration unit comprising the NE/4 NE/4 (Unit A) of Section 32, Township 17 South, Range 32 East, NMPM, Maljamar Grayburg San Andres Pool, Lea County, New Mexico. The authorization for infill drilling granted by this order is an exception to applicable well spacing requirements and is necessary to permit the drainage of a portion of the reservoir covered by said proration unit which cannot be effectively and efficiently drained by any existing well thereon.

(2) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,



Michael E. Stogner,  
Examiner

xc: N.M.U.C.D. - Hobbs

# ENERGY AND MINERALS DEPARTMENT

## OIL CONSERVATION DIVISION

January 5, 1987



GARREY CARRUTHERS  
GOVERNOR

Kersey & Company  
P.O. Box 316  
Artesia, New Mexico 88210

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87501  
(505) 827-5800

Attention: Harold Kersey

Re: Administrative Order NFL-152

Dear Mr. Kersey:

Reference is made to your application for an Infill Well Finding and Well-Spacing Waiver made pursuant to Section 271.305(b) of the Federal Energy Regulatory Commission regulations, Natural Gas Policy Act of 1978, and Oil Conservation Division Order No. R-6013 for the following described well:

Hover State Well No. 6 located 330 feet from the North and East lines (Unit A) of Section 32, Township 17 South, Range 32 East, NNPM, Maljamar Grayburg San Andres Pool, Lea County, New Mexico.

### THE DIVISION FINDS THAT:

(1) Section 271.305(b) of the Federal Energy Regulatory Commission Interim Regulations promulgated pursuant to the Natural Gas Policy Act of 1978 provides that, in order for an infill well to qualify as a new onshore production well under Section 103 of said Act, the Division must find, prior to the commencement of drilling, that the well is necessary to effectively and efficiently drain a portion of the reservoir covered by the proration unit which cannot be so drained by any existing well within that unit, and must grant a waiver of existing well-spacing requirements.

(2) By Division Order No. R-6013, dated June 7, 1979, the Division established an administrative procedure whereby the Division Director and the Division Examiners are empowered to act for the Division and find that an infill well is necessary.

(3) The well for which a finding is sought is to be completed in the Maljamar Grayburg San Andres Pool, and the standard spacing unit in said pool is 40 acres.

(4) A standard 40-acre oil proration unit comprising the NE/4 NE/4 (Unit A) of Section 32, Township 17 South, Range 32 East, is currently dedicated to the Hover State Well No. 1 also located in Unit A of said Section 32.

(5) Said unit is not being effectively and efficiently drained by the existing well on the unit.

(6) The drilling and completion of the well for which a finding is sought should result in the production of an additional 25,820 MCF of gas from the proration unit which would not otherwise be recovered.

(7) All the requirements of Division Order No. R-6013 have been complied with, and the well for which a finding is sought is necessary to effectively and efficiently drain a portion of the reservoir covered by said proration unit which cannot be so drained by any existing well within the unit.

(8) In order to permit effective and efficient drainage of said proration unit, the subject application should be approved as an exception to the standard well spacing requirements for the pool.

IT IS THEREFORE ORDERED THAT:

(1) The applicant is hereby authorized to drill the Hover State Well No.6 as described above, as an infill well on the existing 40-acre oil proration unit comprising the NE/4 NE/4 (Unit A) of Section 32, Township 17 South, Range 32 East, NMPM, Maljamar Grayburg San Andres Pool, Lea County, New Mexico. The authorization for infill drilling granted by this order is an exception to applicable well spacing requirements and is necessary to permit the drainage of a portion of the reservoir covered by said proration unit which cannot be effectively and efficiently drained by any existing well thereon.

(2) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,



Michael E. Stogner,  
Examiner

xc: N.M.O.C.D. - Hobbs

Received 8/26/85  
Release ASAP

NFLK4C

Kersey & Company  
P.O. Box 316  
Artesia, New Mexico 88210

Attention: Harold Kersey

Re: Administrative Order NFL-152

Dear Mr. Kersey:

Reference is made to your application for an Infill Well Finding and Well-Spacing Waiver made pursuant to Section 271.305(b) of the Federal Energy Regulatory Commission regulations, Natural Gas Policy Act of 1978, and Oil Conservation Division Order No. R-6013 for the following described well:

Hover State Well No. 6 located 330 feet from the North and East lines (Unit A) of Section 32, Township 17 South, Range 32 East, NMPM, Maljamar Grayburg San Andres Pool, Lea County, New Mexico.

THE DIVISION FINDS THAT:

(1) Section 271.305(b) of the Federal Energy Regulatory Commission Interim Regulations promulgated pursuant to the Natural Gas Policy Act of 1978 provides that, in order for an infill well to qualify as a new onshore production well under Section 103 of said Act, the Division must find, prior to the commencement of drilling, that the well is necessary to effectively and efficiently drain a portion of the reservoir covered by the proration unit which cannot be so drained by any existing well within that unit, and must grant a waiver of existing well-spacing requirements.

(2) By Division Order No. R-6013, dated June 7, 1979, the Division established an administrative procedure whereby the Division Director and the Division Examiners are empowered to act for the Division and find that an infill well is necessary.

(3) The well for which a finding is sought is to be completed in the Maljamar Grayburg San Andres Pool, and the

standard spacing unit in said pool is 40 acres.

(4) A standard 40-acre oil proration unit comprising the NE/4 NE/4 (Unit A) of Section 32, Township 17 South, Range 32 East, is currently dedicated to the Hover State Well No. 1 also located in Unit A of said Section 32.

(5) Said unit is not being effectively and efficiently drained by the existing well on the unit.

(6) The drilling and completion of the well for which a finding is sought should result in the production of an additional 25,820 MCF of gas from the proration unit which would not otherwise be recovered.

(7) All the requirements of Division Order No. R-6013 have been complied with, and the well for which a finding is sought is necessary to effectively and efficiently drain a portion of the reservoir covered by said proration unit which cannot be so drained by any existing well within the unit.

(8) In order to permit effective and efficient drainage of said proration unit, the subject application should be approved as an exception to the standard well spacing requirements for the pool.

IT IS THEREFORE ORDERED THAT:

(1) The applicant is hereby authorized to drill the Hover State Well No. 6 as described above, as an infill well on the existing 40-acre oil proration unit comprising the NE/4 NE/4 (Unit A) of Section 32, Township 17 South, Range 32 East, NMPM, Maljamar Grayburg San Andres Pool, Lea County, New Mexico. The authorization for infill drilling granted by this order is an exception to applicable well spacing requirements and is necessary to permit the drainage of a portion of the reservoir covered by said proration unit which cannot be effectively and efficiently drained by any existing well thereon.

(2) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

Michael E. Stogner  
Examiner

N.M.O.C.D. - Hobbs

REQUEST FOR INFILL FINDING ON

HOVER STATE #6

in accordance with Administrative  
Procedures amended February 8, 1980

# KERSEY & COMPANY

OIL PRODUCTION

Phone 746-3871 • 808 W. Grand  
ARTESIA, NEW MEXICO 88210

August 21, 1985

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

RE: Hover State #6  
NE NE Sec. 32-17-32  
Lea Co., N.M.

Gentlemen:

Our Hover #1 in the NE NE Section 32, T17S, R32E Lea County, New Mexico producing from the lower Grayburg and San Andres formations encountered some mechanical problems.

The casing collapsed down around 3000'. We were unable to get the tubing out without spending a large sum of money. The casing in the #1 well was set above the producing zones, so there was no way to pin point the pays and adequately treat them in the shot hole.

In order to drain the 40 acre tract adequately, we drilled a new well, the Hover #6, setting and cementing the casing through the producing horizons.

Yours very truly,

KERSEY & COMPANY

  
Harold Kersey

HK/pt



NO. OF COPIES RECEIVED	
DISTRIBUTION	
SANTA FE	
FILL	
U.S.G.S.	
LAND OFFICE	
OPERATOR	

FEB 17 1983

O. C. D.

5A. Indicate Type of Lease	
STATE <input checked="" type="checkbox"/>	FEE <input type="checkbox"/>
5. State Oil & Gas Lease No.	
8-4109	

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

Type of Work	DRILL <input checked="" type="checkbox"/>	DEEPEN <input type="checkbox"/>	PLUG BACK <input type="checkbox"/>
Type of Well	OIL WELL <input checked="" type="checkbox"/>	CAS WELL <input type="checkbox"/>	OTHER <input type="checkbox"/>
Single Zone	MULTIPLE ZONE <input type="checkbox"/>		

7. Unit Agreement Name
8. Farm or Lease Name
HOVER
9. Well No.
#6

Name of Operator	KERSEY & COMPANY
------------------	------------------

Address of Operator	P. O. Box 316, Artesia, New Mexico 88210
---------------------	--

10. Field and Pool, or Wildcat
Maljamar Grayburg SA.

Location of Well	UNIT LETTER <u>A</u>	LOCATED <u>330</u>	FEET FROM THE <u>North</u> LINE
	<u>330</u>	FEET FROM THE <u>East</u>	LINE OF SEC. <u>32</u> TWP. <u>17S</u> REC. <u>32E</u> NMPM

12. County
Lea

16. Proposed Depth			
4200'			

19A. Formation
San Andres

20. Rotary or C.T.
Rotary

Elevations (show whether DF, HT, etc.)	21A. Kind & Status Plug. Bond	21B. Drilling Contractor	22. Approx. Date Work will start
	Blanket	WEK Drilling Company	Feb. 25, 1983

## PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
11"	8 5/8"	23#	1030'	200 Incor 4% Gel	Circulate
8"	4 1/2"	11.6#	4200	400 " "	Base of salt or higher

1. Plan to set and circulate cement on 8 1/2" casing @ 1030'
2. Plan to set and cement 4 1/2" casing back to base of the salt or higher.
3. Will Log, Perforate, and Fracture Oil Zones 3800 - 4200'

 APPROVAL VALID FOR \_\_\_\_\_ DAYS  
 PERMIT EXPIRES \_\_\_\_\_  
 UNLESS DRILLING UNDERWAY

ABOVE SPACE DESCRIBE PROPOSED PROGRAM; IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTION. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

\_\_\_\_\_ Title Partner Date 2/16/83

(This space for State Use)

ORIGINAL SIGNED BY JERRY SEXTON

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE FEB 22 1983

CONDITIONS OF APPROVAL, IF ANY:

All distances must be from the outer boundaries of the Section.

Operator <b>KERSEY &amp; COMPANY</b>		Lease <b>NEWER</b>		Well No. <b>6</b>	
Unit Letter <b>A</b>	Section <b>32</b>	Township <b>17S</b>	Range <b>32E</b>	County <b>Lee</b>	
Actual Footage Location of Well: <b>330</b> feet from the <b>North</b> line and <b>330</b> feet from the <b>East</b> line					
Ground Level Elev.	Producing Formation <b>Grayburg</b>		Pool <b>Maljamar Grayburg San Andres</b>		Dedicated Acreage <b>40</b> Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation \_\_\_\_\_

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) \_\_\_\_\_

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Division.

CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name **Partner**  
Position \_\_\_\_\_  
Company **KERSEY & COMPANY**  
Date **2/14/83**

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed **2/2/83**

Registered Professional Engineer and/or Land Surveyor

Certificate No. **802**

Rule 6:

Hover State #6

Pool: Maljamar Grayburg San Andres

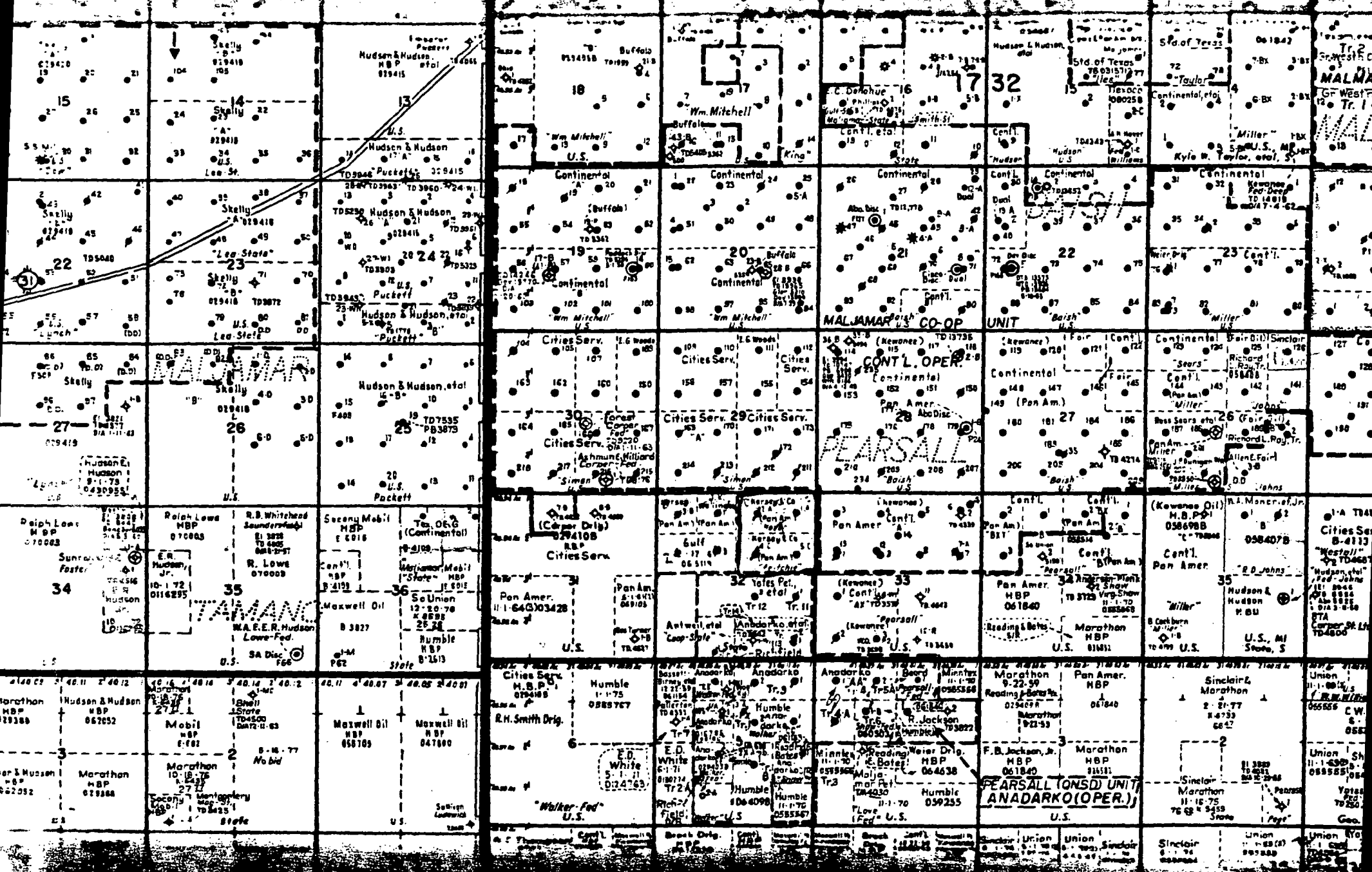
Standard spacing unit - 40 acres

Rule 7:

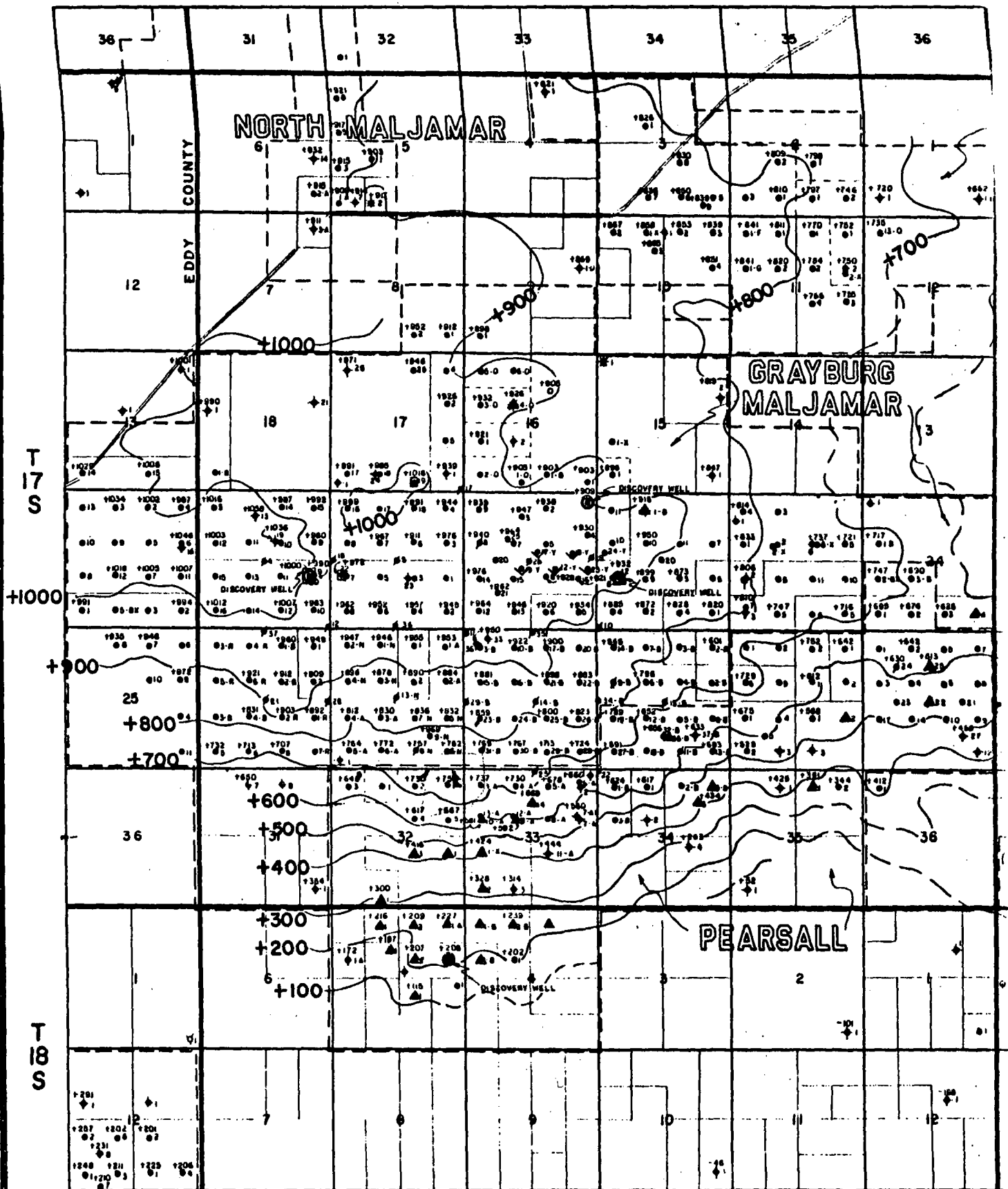
NA

Rule 8:

- a. Hover State #6 - 330 FNL 330 FEL Sec. 32-T17S-R32E  
Hover State #1 - 660 FNL 660 FEL Sec. 32-T17S-R32E
- b. Hover #6 - 3-29-83  
Hover #1 - 10-7-40
- c. Hover #6 - 4-22-83  
Hover #1 - 2-15-41
- d. casing collapsed
- e. #6 - 44 bbl/day, 9 mcf/day  
#1 - 16 bbl/day, 3 mcf/day
- f. NA
- g. The casing on the Hover #1 collapsed, therefore, it was not able to produce, so we drilled the Hover #6.



R 32 E



R 32 E

Rule 11:

Notice of this infill request has been sent to  
Conoco, Inc., 519 N. Tower, Ponca City, 74603.

# KERSEY & COMPANY

OIL PRODUCTION

Phone 746-3671 • 808 W. Grand

ARTESIA, NEW MEXICO 88210

August 21, 1985

Conoco, Inc.  
519 N. Tower  
Ponca City, OK 74603

Re: Notice to Offset  
Operators

Dear Sirs:

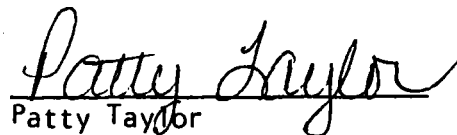
Notice is hereby given to you as an offset operator to the request of Kersey & Company to the New Mexico Oil Conservation Division for an infill finding on the following well:

Hover State #6  
330 FNL 330 FEL Sec. 32-T17S-R32E  
Lea County, New Mexico

This notice is given pursuant to the Special Rules and Regulations Natural Gas Policy Act Infill Finding Administrative Procedure (amended February 8, 1980). These special rules and regulations shall apply to effective and efficient drainage findings for completed infill wells pursuant to Section 271.305 of the final Rules and Regulations of the Federal Energy Regulatory Commission relating to Section 103 of the Natural Gas Policy Act of 1978.

If there are any questions please contact me.

Very truly yours,

  
Patty Taylor  
Clerk

HK/pt

# KERSEY & COMPANY

OIL PRODUCTION

Phone 746-3671 • 808 W. Grand

ARTESIA, NEW MEXICO 88210

The Office of the Secretary  
Federal Energy Regulatory Commission  
825 N. Capitol St., N.E.  
Washington, D.C. 20426

RE: HOVER STATE #6

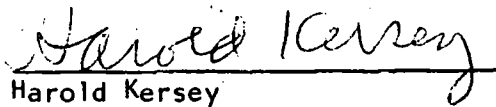
Gentlemen:

In compliance with Section 273.202(d) of the Interim Regulations implementing the Natural Gas Policy Act of 1978, Kersey & Company as operator and a working interest owner in the referenced well, hereby submits an original and two copies of the following in support of interim collection for gas produced and sold from the captioned well for our self and the working interest owners, for which a Section 103 price determination application has been filed:

1. Copy of FERC Form 121 submitted by us as operator of the referenced well.
2. Affidavit in support of interim collection authority.
3. Certificate of Service.
4. A copy of the release from surety or escrow obligations from the pipeline purchaser of the gas produced from the well (not available).
5. A copy of the Agreements of all the working interest owners to comply with refund provision of Part 273 of the Commission's Regulations under the Natural Gas Policy Act and Part 154 of the Commission's Regulations under the Natural Gas Act.

Copies of these documents have also been forwarded to the N.M.O.C.D. for their information and file.

Very truly yours,

  
Harold Kersey  
President

HK/pt  
CC: Mr. Joe Ramey, Director  
Oil Conservation Division  
P.O. Box 2088  
Santa Fe, New Mexico 87501

Conoco, Inc.  
519 N. Tower  
Ponca City, Oklahoma 74603



1.0 API well number: (If not assigned, leave blank. 14 digits.)	- - -				
2.0 Type of determination being sought: (Use the codes found on the front of this form.)	103 Section of NGPA		Category Code		
3.0 Depth of the deepest completion location: (Only needed if sections 103 or 107 in 2.0 above.)	4200 feet				
4.0 Name, address and code number of applicant: (35 letters per line maximum. If code number not available, leave blank.)	Name Kersey & Company		Seller Code		
	Street P.O. Box 316, 808 W. Grand				
	City Artesia,	State N.M.	Zip Code 88210		
5.0 Location of this well: (Complete (a) or (b).) (a) For onshore wells (35 letters maximum for field name.)	Maljamar Grayburg San Andres				
	Field Name Lea	State N.M.			
	County	State			
(b) For OCS wells:	Area Name		Block Number		
	Date of Lease: Mo. Day Yr.		OCS Lease Number		
(c) Name and identification number of this well: (35 letters and digits maximum.)	Hover State #6				
(d) If code 4 or 5 in 2.0 above, name of the reservoir: (35 letters maximum.)					
6.0 (a) Name and code number of the purchaser: (35 letters and digits maximum. If code number not available, leave blank.)	Conoco, Inc.				
	Name		Buyer Code		
(b) Date of the contract:	1981 11 15 2 Mo. Day Yr.				
(c) Estimated total annual production from the well:	3000 Million Cubic Feet				
		(a) Base Price	(b) Tax	(c) All Other Prices (Indicate (+) or (-).)	(d) Total of (a), (b) and (c)
7.0 Contract price: (As of filing date. Complete to 3 decimal places.)	\$/MMBTU	---	---	---	---
8.0 Maximum lawful rate: (As of filing date. Complete to 3 decimal places.)	\$/MMBTU	3.535	---	---	3.535
9.0 Person responsible for this application:					
Agency Use Only					
Date Received by Juris. Agency					
Date Received by FERC					
	Name Patty Taylor		Title Clerk		
	Signature Patty Taylor				
	Date Application is Completed 8-21-85		Phone Number (505) 746-3671		

AFFIDAVIT OF KERSEY & COMPANY

In Support of Interim Collection Authority under Sec. 273.202  
of Regulations Implementing the Natural Gas Policy Act of 1978

Kersey & Company, in compliance with Section 273.202(d) of  
the Regulations implementing the Natural Gas Policy Act of 1978,  
do hereby state under oath the following in connection with the  
wells set forth below:

<u>WELL NAME &amp; LOCATION</u>	<u>COUNTY</u>	<u>STATE</u>	<u>DEDICATED TO INTERSTATE COMM- erce on 11/8/78</u>		<u>MAXIMUM LAWFUL PRICE 11/8/78</u>
			<u>YES</u>	<u>NO</u>	
Hover St. #6 330 FNL 330 FEL Sec. 32-17S-32E	Lea	N.M.		X	NA

1. I believe in good faith that the natural gas produced from the captioned well is eligible under the Natural Gas Policy Act and the applicable Federal Energy Regulatory Commission regulations implementing the Natural Gas Policy Act for a maximum lawful price not less than that to be collected and for which a Section 103 price determination application has been made.

2. Release from the surety or escrow obligations (not available).

3. Copies of the Agreements to comply with refund provisions of Part 273 of the Commission's Regulations under the Natural Gas Policy Act and part 154 of the Commission's Regulations under the Natural Gas Act are attached hereto for all parties to this Application for Interim Collection Authority.

4. Copies of the FERC Form 121 submitted to the jurisdictional agency by us as operator of the above well are attached hereto.

5. Commitment or dedication of the natural gas to be sold from the above well to interstate commerce on November 8, 1978, is indicated in the above listing. The maximum lawful price, if applicable on November 8, 1978, is also indicated in the above listing. Kersey & Company, as operator of the above well, makes sales on behalf of the following working interest owners: (list attached).

It is our intention that this Application for Interim Collection Authority also cover the interest of the above named parties (list attached).

KERSEY & COMPANY

By: Harold Kersey  
Harold Kersey  
President

Subscribed and sworn to by Harold Kersey before me this 21<sup>st</sup> day of August, 1985.

My commission expires:

July 9, 1988

Maria Nade  
Notary Public in and for Eddy  
County, New Mexico

CERTIFICATE OF SERVICE

Kersey & Company hereby certifies that a copy of this application for interim collection authority has been served upon the following pipeline purchaser by mailing the same, postage prepaid, properly addressed, to:

Conoco, Inc.  
519 N. Tower  
Ponca City, Oklahoma 74603

KERSEY & COMPANY

By: Harold Kersey  
Harold Kersey  
President

Dated at Artesia, New Mexico, this  
21<sup>st</sup> day of August, 1985.

Subscribed and sworn to by Harold Kersey before me this 21<sup>st</sup>  
day of August, 1985.

My commission expires:

July 9, 1988

Marie Wade  
Notary Public in and for Eddy  
County, New Mexico

AGREEMENT OF

Kersey & Company to comply with refund provisions of Part 273 of the Commission's Regulations under the Natural Gas Policy Act and Part 154 of the Commission's Regulations under the Natural Gas Act

---

KERSEY & COMPANY hereby agrees and undertakes to comply with the refund provisions of Part 273 of the Commission's Regulations under the Natural Gas Policy Act insofar as they are applicable to any collections made by or for the applicant under these regulations.

KERSEY & COMPANY

By: Harold Kersey  
Harold Kersey  
President

ATTEST:

Patty Taylor  
Patty Taylor  
Clerk

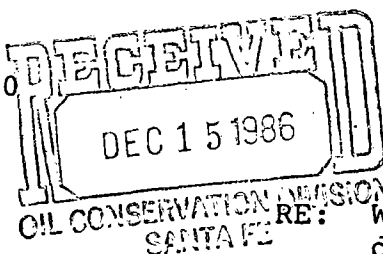
August 21, 1985  
Date

HOVER #6

Working Interest Owners

1. Danoil  
#1 Burnett Plaza  
Fort Worth, TX 76102
2. Harold Kersey  
P.O. Box 316  
Artesia, NM 88210
3. Leonard Vandiver  
2303 Lynn  
Big Spring, TX 79720
4. Betty Jane Wood  
P.O. Box 814  
Lake Montezuma, AZ 86342
5. Sandra Kimmey  
708 Whelton Circle  
Pasadena, TX 77503
6. Lana Lea  
7280 Mayfair Circle  
Jonesboro, GA 30236
7. Edith A. Hover Thomas  
812 Pollard Road, Suite 6  
Los Gatos, CA 95030
8. Thelma Methvin  
406 San Andres  
Alamogordo, NM 88310
9. Margaret Holcomb  
1522 Michigan Ave.  
Alamogordo, NM 88310

KERSEY & COMPANY  
P.O. Box 316  
808 W. Grand  
Artesia, New Mexico 88210  
Attention: Harold Kersey



RE: Well head price ceiling  
determination, NGPA of  
1978

Gentlemen:

The New Mexico Oil Conservation Division has received your application for a wellhead price ceiling category determination under the sections(s) of the Natural Gas Policy Act of 1978 indicated below if your application is incomplete, forms are attached hereto, indicating the documents and further information which must be filed before your application can be considered. If your application is complete, it will be acted upon administratively unless written objection is received within 15 days of its filing.

WELL NAME AND LOCATION HOVER STATE 32-17S-32E #6-A  
SECTION(S) APPLIED FOR 103  
DATE APPLICATION RECEIVED August 26, 1985  
APPLICATION INCOMPLETE What is the expected ultimate recovery, oil & gas, for this well Pub 9 - R-1013-A.

OIL 110,980 BBL's  
GAS 35320 MCF

Sincerely,

DATE: February 6, 1986

*Michael E. Rogers*

NOTE:

THIS FORM LETTER MUST ACCOMPANY TWO COPIES OF THE SUPPLEMENTARY INFORMATION.

Jan	647	200 MCF
Feb.	901	197
Mar.	745	245
April	1357	434
May	1101	234
June	1302	257
July	994	238
Aug.	956	170
Sept.	21	7
Oct.	832	161
Nov.	1550	240
Dec.	892	191
110,980		2532 x 10 =
		25,820

Oil Produced 1985  
Gas Produced

# KERSEY & COMPANY

OIL PRODUCTION

Phone 746-2671 • 808 W. Grand  
ARTESIA, NEW MEXICO 88210

March 11, 1986

Energy & Minerals Depart.  
Oil Conservation Commission  
P.O. Box 2068  
Santa Fe, N.M. 87501

ATTN: Mr. Slogner

Gentlemen:

In replying to your form letter of February 6, 1986,  
we have revised our estimates of the probable production  
of the designated well and are listing our computations:

	<u>OIL</u>	<u>GAS</u>
1983	14527	3423
1984	14194	3874
1985	11098	2582
1986	9600	1870
1987	7300	1260
1988	5600	900
1989	3400	700
1990	2000	500
1991	<u>1000</u>	<u>0</u> economic limit
	68719	15109

Yours very truly,

KERSEY & COMPANY

  
Harold Kersey

HK/pt  
55



All distances must be from the outer boundaries of the Section.

KERSEY & COMPANY		Lease		NOVA		Well No.	
Unit Letter	Section	Township	Range	County			
A	32	17S	32E	Lee	6		
Actual Postage Location of Well							
330 feet from the North line and 330 feet from the East line							
Ground Level Elev.		Producing Formation		Pool		Dedicated Acreage	
		Grayburg		Maljamar Grayburg San Andres		40 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation \_\_\_\_\_

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) \_\_\_\_\_  
No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Division.

Kersey & Company  
Novor - State Well No. 1  
660' FRIEL  
Spd: 1441  
Maljamar Grayburg  
San Andres  
Cumulative Production  
as of 12/31/84  
Gas - 53021 MCF  
Oil - 269841 B.O.

CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name

Partner

Position

Company

KERSEY & COMPANY

Date

2/14/83

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

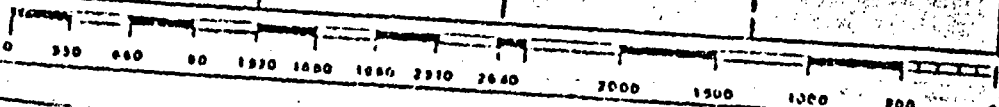
Date Surveyed

2/8/83

Registered Professional Engineer  
and/or Land Surveyor

Certificate No.

802



REQUEST FOR INFILL FINDING ON

HOVER STATE #6

in accordance with Administrative  
Procedures amended February 8, 1980

# KERSEY & COMPANY

OIL PRODUCTION

Phone 746-3671 • 808 W. Grand

ARTESIA, NEW MEXICO 88210

August 21, 1985

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

RE: Hover State #6  
NE NE Sec. 32-17-32  
Lea Co., N.M.

Gentlemen:

Our Hover #1 in the NE NE Section 32, T17S, R32E Lea County, New Mexico producing from the lower Grayburg and San Andres formations encountered some mechanical problems.

The casing collapsed down around 3000'. We were unable to get the tubing out without spending a large sum of money. The casing in the #1 well was set above the producing zones, so there was no way to pin point the pays and adequately treat them in the shot hole.

In order to drain the 40 acre tract adequately, we drilled a new well, the Hover #6, setting and cementing the casing through the producing horizons.

Yours very truly,

KERSEY & COMPANY

  
Harold Kersey

HK/pt

OIL CONSERVATION DIVISION  
P. O. BOX 2088 RECEIVED  
SANTA FE, NEW MEXICO 87501Form C-101  
Revised 10-1-78

NO. OF COPIES RECEIVED	
DISTRIBUTION	
SANTA FE	
FILE	
U.S.G.S.	
LAND OFFICE	
OPERATOR	

FEB 17 1983

O. C. D.

## APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

Type of Work Type of Well OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> Name of Operator KERSEY & COMPANY Address of Operator P. O. Box 316, Artesia, New Mexico 88210 Location of Well UNIT LETTER <u>A</u> LOCATED <u>330</u> FEET FROM THE <u>North</u> LINE <u>330</u> FEET FROM THE <u>East</u> LINE OF SEC. <u>32</u> TWP. <u>17S</u> REC. <u>32E</u> NMPA 12. County Lea		5A. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> 5. State Oil & Gas Lease No. B-4109 7. Unit Agreement Name 8. Farm or Lease Name HOVER 9. Well No. #6 10. Field and Pool, or Wildcat Maljamar Grayburg SA.			
19. Proposed Depth 4200'		19A. Formation San Andres		20. Rotary or C.T. Rotary	
21A. Kind & Status Plug. Bond Blanket		21B. Drilling Contractor WEK Drilling Company		22. Approx. Date Work will start Feb. 25, 1983	

## PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
11"	8 5/8"	23#	1030'	200 Incor 4%Gel	Circulate
8"	4 1/2"	11.6#	4200	400 " "	Base of salt or higher

1. Plan to set and circulate cement on 8 1/2" casing @ 1030'
2. Plan to set and cement 4 1/2" casing back to base of the salt or higher.
3. Will Log, Perforate, and Fracture Oil Zones 3800 - 4200'

APPROVAL VALID FOR \_\_\_\_\_ DAYS  
PERMIT EXPIRES \_\_\_\_\_  
UNLESS DRILLING UNDERWAY

ABOVE SPACE DESCRIBE PROPOSED PROGRAM IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTION ZONE. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

Signed Jerry Sexton Title Partner Date 2/16/83

(This space for State Use)

ORIGINAL SIGNED BY JERRY SEXTON

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE FEB 22 1983

CONDITIONS OF APPROVAL, IF ANY:

## OIL CONSERVATION DIVISION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

Form C-102  
Revised 10-1-78STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT

All distances must be from the outer boundaries of the Section.

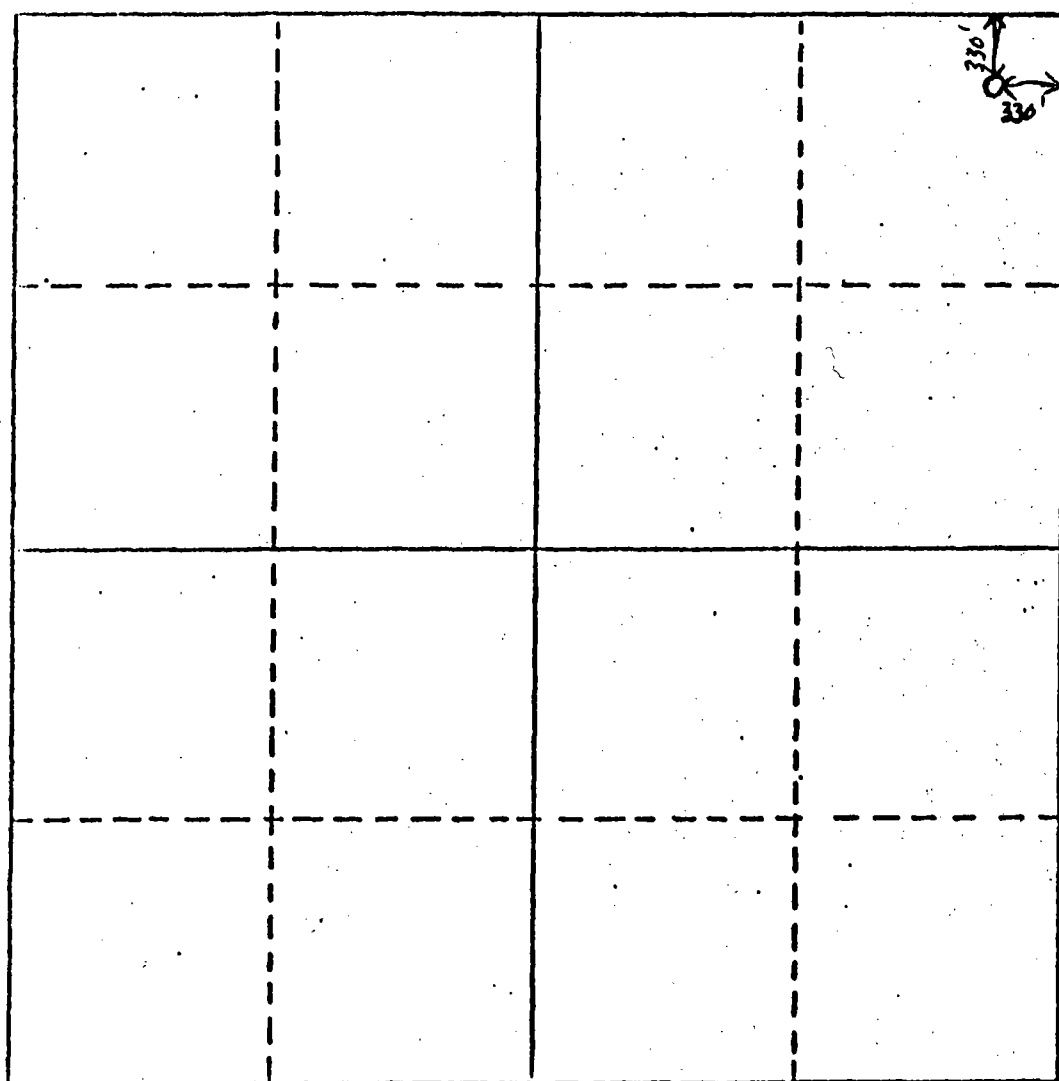
Operator <b>KERSEY &amp; COMPANY</b>		Lease <b>NOVER</b>		Well No. <b>6</b>
Unit Letter <b>A</b>	Section <b>32</b>	Township <b>17N</b>	Range <b>32E</b>	County <b>Lee</b>
Actual Postage Location of Well: <b>330</b> feet from the <b>North</b> line and <b>330</b> feet from the <b>East</b> line				
Ground Level Elev.	Producing Formation <b>Grayburg</b>	Pool <b>Maljamar Grayburg San Andres</b>	Dedicated Acreage <b>40</b> Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☐ Yes ☐ No If answer is "yes," type of consolidation \_\_\_\_\_

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) \_\_\_\_\_

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Division.



## CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name

**Partner**

Position

Company

**KERSEY & COMPANY**

Date

**2/14/83**

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed **2/8/83**Registered Professional Engineer  
and/or Land SurveyorCertificate No. **802**

0 330 660 990 1320 1650 1980 2310 2640 2970 3300 3630 3960 4290 4620 4950 5280 5610 5940 6270 6600

Rule 6:

Hover State #6

Pool: Maljamar Grayburg San Andres

Standard spacing unit - 40 acres

Rule 7:

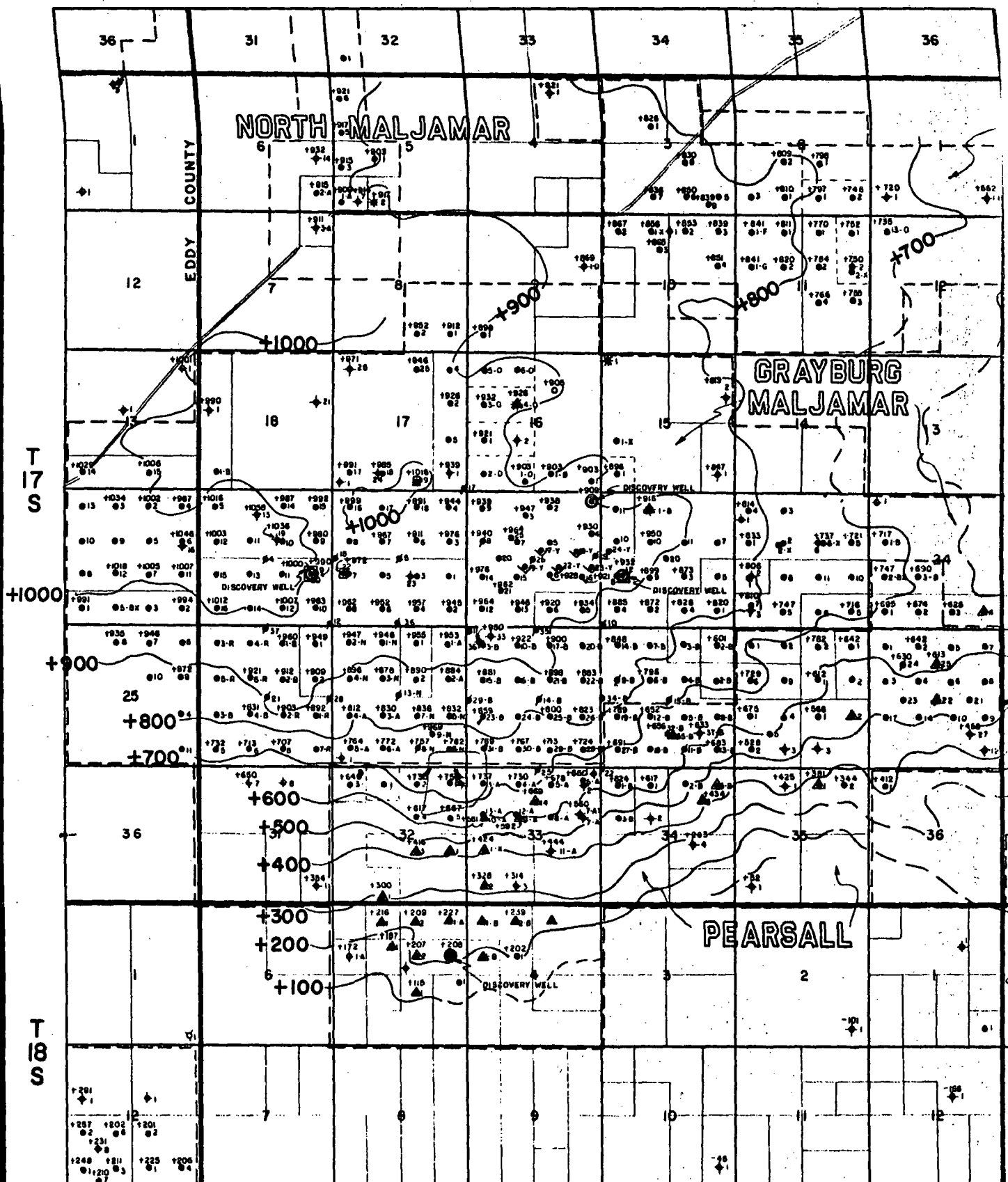
NA

Rule 8:

- a. Hover State #6 - 330 FNL 330 FEL Sec. 32-T17S-R32E  
Hover State #1 - 660 FNL 660 FEL Sec. 32-T1yS-R32E
- b. Hover #6 - 3-29-83  
Hover #1 - 10-7-40
- c. Hover #6 - 4-22-83  
Hover #1 - 2-15-41
- d. casing collapsed
- e. #6 - 44 bbl/day, 9 mcf/day  
#1 - 16 bbl/day, 3 mcf/day
- f. NA
- g. The casing on the Hover #1 collapsed, therefore, it was not able to produce, so we drilled the Hover #6.



R 32 E



R 32 E



Rule 11:

Notice of this infill request has been sent to  
Conoco, Inc., 519 N. Tower, Ponca City, 74603.

# KERSEY & COMPANY

OIL PRODUCTION

Phone 746-3071 • 808 W. Grand

ARTESIA, NEW MEXICO 88210

August 21, 1985

Conoco, Inc.  
519 N. Tower  
Ponca City, OK 74603

Re: Notice to Offset  
Operators

Dear Sirs:

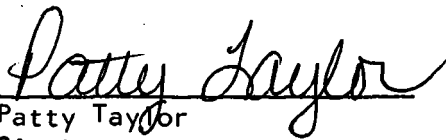
Notice is hereby given to you as an offset operator to the request of Kersey & Company to the New Mexico Oil Conservation Division for an infill finding on the following well:

Hover State #6  
330 FNL 330 FEL Sec. 32-T17S-R32E  
Lea County, New Mexico

This notice is given pursuant to the Special Rules and Regulations Natural Gas Policy Act Infill Finding Administrative Procedure (amended February 8, 1980). These special rules and regulations shall apply to effective and efficient drainage findings for completed infill wells pursuant to Section 271.305 of the final Rules and Regulations of the Federal Energy Regulatory Commission relating to Section 103 of the Natural Gas Policy Act of 1978.

If there are any questions please contact me.

Very truly yours,

  
Patty Taylor  
Clerk

HK/pt