

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
March 27, 1974

EXAMINER HEARING

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IN THE MATTER OF:)	
)	
Application of Kersey & Company for)	Case No.
a waterflood project, Eddy County,)	5194
New Mexico.)	
)	
-----)	

BEFORE: Daniel S. Nutter, Examiner.

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil	William Carr, Esq.
Conservation Commission:	Legal Counsel for the
	Commission
	State Land Office Bldg.
	Santa Fe, New Mexico

Applicant pro se.

I N D E X

E X H I B I T S

	<u>Marked</u>	<u>Admitted</u>
Applicant's Exhibits A, B and C	--	8

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MR. NUTTER: We'll call Case 5194.

MR. CARR: Case 5194. Application of Kersey & Company for a waterflood project, Eddy County, New Mexico.

(Whereupon, a discussion was held off the record.)

MR. NUTTER: Would you state your name, please?

MR. KERSEY: Harold Kersey.

MR. NUTTER: Mr. Kersey, are you the Operator of Kersey & Company, the Applicant in this Case?

MR. KERSEY: I am the Operator and Owner.

MR. NUTTER: And you propose to present your own case?

MR. KERSEY: Yes, I wish to present my own case, that's right.

MR. NUTTER: Be sworn, please.

(Witness sworn.)

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

MR. CARR: Would you state your name for the record, please?

MR. KERSEY: Harold Kersey.

MR. CARR: Your occupation?

MR. KERSEY: Oil Operator.

MR. CARR: Mr. Kersey, exactly what is it you seek by the Application filed in this Case?

MR. KERSEY: To inject water into a producing oil well in Section 23, 18-30. It's a one-well flood so that there's only three producing wells in the area and the production has declined to where the primary is of not sufficient importance to continue so we've had it under thought for several years to flood to see whether we could get some production out of the area.

I have three exhibits. The first is Exhibit A which shows the proposed injection well and wells surrounding it.

BY MR. NUTTER: Now, Mr. Kersey, the proposed injection well would be -- is that your Creek Lease?

MR. KERSEY: It's the Creek Lease, that's right.

MR. NUTTER: And that would be Well No. 1, is that correct?

MR. KERSEY: Well No. 1; it's 330 from the north line and it's 1650 from the west line in Section 23.

MR. NUTTER: 330 north and 1650 west, okay.

MR. KERSEY: It is in the upper section of the Grayburg comparable to the Loco Hills Morrow.

MR. NUTTER: Then there is another producing

well on that Lease?

MR. KERSEY: There is another producing well, the No. 2-X which would be 1320 feet south in the next 40.

MR. NUTTER: And then --

MR. KERSEY: (Interrupting) Then the other well in the area is Knox Well which is in Section 14 in the southeast of the southwest quarter.

MR. NUTTER: Then those three wells are the only wells in that immediate area that are producing?

MR. KERSEY: That is right, that's the only three wells in the area.

MR. NUTTER: And they are all producing from this upper section of the Grayburg?

MR. KERSEY: That is right, all from the upper section of the Grayburg. And they're old wells; we drilled the No. 1 in 1939, which is 35 years ago.

MR. NUTTER: Okay, would you proceed to your next exhibit?

MR. KERSEY: Okay, the next is Exhibit B which shows how we propose to complete the well. The well is presently cased with 7 inch casing to 3240 feet, and it was cemented with 100 sacks of cement and 100 sacks of

mud preceding it. Injection will be into an open-hole zone at 3265 to 3279. We propose to set a 7 inch tension packer at approximately 3200 feet injecting through 2-3/8ths cement line tubing and annulus between the tubing and casing will be filled with inhibited water.

MR. NUTTER: What volume of water do you expect to inject?

MR. KERSEY: Approximately 300 barrels per day. (Continuing) Since this proposed flood is in a potash area and heretofore the potash has been produced by Duval Company and we held up this flood proposal until such time as Duval quit producing potash from the area so Exhibit C is a letter showing that we have the approval of the Duval Corporation to go ahead and proceed with the flood. Of course we will leave the annulus open on the injection so that if there will ever be a packer leak or anything the water would show immediately at the surface and we could take preventive means to correct it.

MR. NUTTER: What's the present production from these wells, Mr. Kersey?

MR. KERSEY: About a barrel and a half a day.

MR. NUTTER: From all three of them?

MR. KERSEY: Each well is making about a barrel

and a half. Now, I'm not exactly sure about the Knox Well because they don't produce it regularly, but we are producing our two wells continuously and they make about a barrel and a half each.

MR. NUTTER: Have any engineering studies been conducted to give an estimate of what you can expect from injection of water?

MR. KERSEY: Yes. We calculate, or our engineering studies, primary production is about 150,000 barrels and we calculated that we could expect to obtain about 75,000 barrels by the conducting of this flood, which would make it economic.

MR. NUTTER: I see. Do you have anything further?

MR. KERSEY: That's all I have. If there is anything else you would like to know I would be happy to try to fill you in.

MR. NUTTER: Now, that is Federal; you have contacted the GS?

MR. KERSEY: Yes, I have contacted the USGS and they told me they would have somebody up here today but apparently they didn't.

MR. NUTTER: I see.

MR. NUTTER: Does anyone have any questions they wish to inquire of Mr. Kersey?

I presume you are offering Exhibits A, B and C?

MR. KERSEY: That's right, A,B and C.

MR. NUTTER: Exhibits A, B and C will be admitted into evidence.

(Whereupon Applicant's Exhibits

A, B and C were admitted into evidence.)

MR. NUTTER: The Witness may be excused.

Does anyone have anything they wish to offer in Case 5194?

We will take the Case under advisement.

STATE OF NEW MEXICO)
) SS.
COUNTY OF SANTA FE)

I, RICHARD L. NYE, Court Reporter, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me, and the same is a true and correct record of the said proceedings, to the best of my knowledge, skill and ability.



RICHARD L. NYE, Court Reporter

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 5194 heard by me on 3/27, 1974.



Examiner
New Mexico Oil Conservation Commission

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