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BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
August 24, 1966

Application of Kersey and Company for an
amendment to Order No. R-2908, Eddy County,
New Mexico.

CASE NUMBER
3446

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BEFORE:

ELVIS A. UTZ, Examiner

TRANSCRIPT OF HEARING

HEARING EXAMINER ELVIS A. UTZ: Case Number 3446.

MR. GEORGE HATCH: Case number 3446. Application of Kersey and Company for an amendment to Order Number R-2908, Eddy County, New Mexico.

MR. UTZ: The appearances in this case?

MR. KERSEY: Harold Kersey.

MR. HATCH: Would the record show that Mr. Kersey has already been sworn.

MR. UTZ: And also that Mr. Kersey is representing himself as he did in the last case and that it is the same Mr. Kersey that appeared in Case 3445.

You may proceed.

(Whereupon, Exhibits One through Thirteen were marked.)

MR. KERSEY: The purpose of this hearing is to obtain

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approval to change the flood pattern and the reason for changing the flood pattern, approval had been obtained approximately a year ago on this same unit to flood but due to hold up in signatures, the flood was not started and in the meantime Tenneco has obtained approval and started to flood in Section 28, referring to Exhibit Number Thirteen and in contacting the adjacent operator, Depco, Depco has agreed to cooperate with us to back up the flood on our east side providing we will put our flood in phase with the Tenneco flood that is already in operation.

Well, we thought that it was necessary to make this change in order to create a uniform pattern for the flooding, otherwise we would have been isolated without back up on our east side and I have contacted the other operators which will back us up as the flood reaches them, so we have prepared these papers showing our proposed change, which is on a five spot pattern and I herewith submit it.

Exhibit Number Two points out the formerly approved injection wells and the proposed injection wells. Exhibits Number Three and Four are excerpts of the gamma neutron logs of the zones to be flooded.

MR. UTZ: These are the same as in Case 2908?

MR. KERSEY: That is right.

Then we come to Exhibits Number Five through Twelve, which are the wells showing the casing pattern, the surface

pipe, the production string, where perforated, and the packer locations.

All the wells that are being injected into will have casings cemented through the zone and through perforations with the exception of the number thirteen injection well, which is a plugged well at the present time and an old well and we will have to go back into it and open it up and will inject underneath the casing into the zones.

Mr. Irby had raised a point. When I submitted this plat originally, I showed the packer set below the stub in the five and a half inch casing which would make an impossible situation since I am going to run four and a half inch casing down to the stub and cement it and we will test the well and then we will set the packer in this particular well up in the four and a half casing.

MR. IRBY: This test will be on a seal between the four and a half and the five and a half?

MR. KERSEY: That is right.

And there was one other well that Mr. Irby had written me about, that I couldn't find any information as to the cement on the surface casing but in this particular area, there isn't any water of any kind because we had drilled a well adjacent to it and found no water. The casing could have been cemented. It is a well that I bought but I couldn't find anything in the

records to indicate the amount of cement. Do you remember which well that was, Mr. Irby?

MR. IRBY: It was number seven which is your Exhibit Eight.

MR. KERSEY: Yes, Exhibit Eight. Yes, I show the eight and five-eighths casing at 350 feet and that's all because that's all I could find.

MR. UTZ: You don't know whether they used any cement at all?

MR. KERSEY: I really don't. I couldn't find it in the records and as I say I bought the well and I can't really tell too much about it.

MR. UTZ: How old is that well?

MR. KERSEY: It is about fifteen years old, something like that, between ten and fifteen.

The production on this lease has declined to the point where that fifteen producing wells are making approximately thirty barrels of oil per day which is about two barrels per well at the present time.

MR. UTZ: In any case, well number seven surface is probably adequate would you think, in view of that?

MR. KERSEY: I would think that it is.

MR. UTZ: The damage has either been done or else there isn't any water there to damage anyway.

MR. KERSEY: That's right. Its either been done or no water.

MR. UTZ: Who did you purchase this well from, do you know?

MR. KERSEY: Miller and Smith. They are an Albuquerque firm and they are a building contractor so they are really not in the oil business. All I could take was their records.

MR. UTZ: Did they drill the well?

MR. KERSEY: They hired the well drilled. Yes, they drilled it, but I just couldn't find anything on it and nobody seemed to know anything, so I just left her vacant there where the cement was because that's all I could do.

MR. UTZ: Does that complete your testimony?

MR. KERSEY: Yes, I think that pretty well covers it. The main thing is to change the pattern on account of the adjacent operators and permission has already been granted to flood this area before, so if there are any questions, I would be happy to try to answer them.

MR. IRBY: Frank Irby, State Engineer's Office.

Mr. Kersey, you said you drilled a well near this number seven and got no water. What was the location of that well, please, sir?

MR. KERSEY: The number seven -- it would be about 600 -- we just drilled a test hole there to see if there was

any water in that area. It was about 600 feet south of it.

MR. IRBY: And how deep did you drill?

MR. KERSEY: We drilled down to 220 feet.

MR. IRBY: Two hundred and twenty feet and what were you in?

MR. KERSEY: Red beds.

MR. UTZ: And you found no water?

MR. KERSEY: No water.

MR. IRBY: Do you know well enough the other wells in the vicinity of seven to know whether water was encountered in any of them?

MR. KERSEY: The logs do not show any. Right in that particular area it shows no water.

MR. IRBY: But this test hole is the only one that you drilled?

MR. KERSEY: That is right. Now I drilled a well -- I had, when this unit was formed, I owned well number sixteen and well number fourteen and number sixteen was devoid of water too and number fourteen is an old well that was drilled in '41 or '42 and I don't know anything about it but I did drill number sixteen.

MR. IRBY: When was number sixteen drilled?

MR. KERSEY: About 1951 and there was no water. The water in that area is brackish anyway and it is not fresh water.

MR. IRBY: That's all I have.

MR. UTZ: Any other questions?

MR. HATCH: Did you prepare these exhibits?

MR. KERSEY: Yes, I did.

MR. HATCH: Would you like to have them introduced
in evidence?

MR. KERSEY: I would, please.

MR. UTZ: Exhibits One through Thirteen will be entered
into the record of this case.

Any other statements?

The case will be taken under advisement.

STATE OF NEW MEXICO)
) ss.
COUNTY OF BERNALILLO)

I, W. DON MC INTYRE, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Proceedings before the New Mexico Oil Conservation Commission was reported by me, and that the same is a true and correct record to the best of my knowledge, skill and ability.

WITNESS my Hand and Seal this 24th Day of August, 1966.

W. Don Mc Intyre
W. DON MC INTYRE

My Commission Expires:

July 14, 1970

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 3446, heard by me on August 24, 1966.

[Signature]
Examiner
New Mexico Oil Conservation Commission