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BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
April 23, 1969
EXAMINER HEARING

IN THE MATTER OF:

Application of Kersey and
Company for a waterflood
project, Eddy County, New
Mexico

Case No. 4096

BEFORE: Elvis A. Utz, Examiner.

TRANSCRIPT OF HEARING

MR. UTZ: Case No. 4096.

MR. HATCH: Application of Kersey and Company for a waterflood project, Eddy County, New Mexico. If the Examiner, please, I believe this is the application of R. D. Collier, and I think that Mr. Collier wants to amend the application at this time.

(Witness sworn)

MR. HATCH: Are you Mr. R. D. Collier?

MR. COLLIER: Yes, sir.

MR. HATCH: Are you the owner of the property described here?

MR. COLLIER: That's right.

R. D. COLLIER

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

DIRECT EXAMINATION

BY MR. UTZ:

Q Actually, this is the application by Harold Kersey.

A For me.

Q For R. D. Collier; and the letter states that Harold Kersey is a partner; is that correct?

A No; he doesn't have any interest. He

just did the engineering for me.

MR. HATCH: Mr. Collier, do you have some exhibits that you want to introduce?

MR. COLLIER: Yes.

(Whereupon, Applicant's Exhibits A, B, C and D were marked for identification.)

MR. UTZ: YOU MAY PROCEED.

MR. COLLIER: I've been in Artesia since '39, in the supply and drilling business -- attended Texas Tech a few years, during the depression -- in the thirties. And I've had production of my own, and runned and drilled it for the past twenty -- twenty-five years, and I've got four exhibits here, for a partial five-spot pattern for waterflood and also saltwater injection that I am interested in -- injecting saltwater here. Exhibit A is a plat of the area showing the adjoining operators, and the area to be flooded with the injection. Exhibit B and C are the schematics of each proposed injection well, and how it's to be completed. Now, Stake Number six has eight-and-five-eighths and 410 feet and no cement. It's in the northeast of the northwest Section 25. Seven at eight-eighteenths,

cement circulated. I want to flood the Seven Rivers, and I propose to run two and three-eighths tubing cement line to 700, with a tension packer, and put fluid on top of the packer and inhibit the corrosion. The pay is an open hole at eight-twenty-eight to eight-thirty-one. Stake Number four has eight and five-eighths casing at 340 and no cement; northeast to the northwest of Section 25, and four and-a-half-inch casing at 843 with cement circulated. The pay is from 812 to 816. The total depth is 854; supposed to run 700 feet at two and three-eighths cement behind tubing, with a packer, with fluid above the packer inhibited. Stake Number three, has eight and five-eighths at 325 -- no cement; southeast of the northwest of Section 25 -- seven-inch casing at 765 with fifty sacks. Estimated cement top is 265 feet from the surface; proposed to run 700 feet at two and three-eighths cement line with tension packer and inhibit fluid above the packer. Oil is -- pay is 793 to 799, an open hole. Now, this is an open hole that we've tried to recomplete. There is a water line across the lease to furnish water, and, of course, also, we want to inject this saltwater that we haul. We want to make a saltwater injection. We are going to use all of that we can. In

other words, the disposal of produced water on other leases. I propose to inject, approximately, a hundred barrels of water a day in these wells, in this way.

MR. UTZ: All four wells?

A Yes -- did I give you four wells? Let's see. And then, Stake Number eight; it's an old well to be opened up with seven-inch at 350, with 500 sacks of cement -- I don't understand that; it's an old well. I think it must have -- I think it ought to have cement 150 feet from the surface -- estimated four-and-a-half feet and 850 with seventy-five sacks; estimated top of cement is about 500 feet from the surface. I want to run two and three-eighths inch tubing line in it -- on a tension packer, and inhibit the fluid above the packer. I think that about covers it.

MR. UTZ: Mr. Collier, what type tubing do you intend to put in these wells?

A Just upset tubing -- just have it cement lined, probably; used tubing.

Q I see. And you are going to leave the annulus open or gauged?

A Well, I have an idea we will fill the annulus with something; you know.

Q I mean at the surface? Are you going to leave the surface open with a dial or --

A Yes, leave it open.

Q Or are you going to put a gauge on it?

A I'll just leave it open probably, with a valve -- I might put a gauge on it to see if we got any relief by it; probably will, and then take it off -- have a valve.

Q Now, this injection is in Seven Rivers, alone; is it?

A Yes, sir. Now, there is, actually, there is -- they call Yates and Seven Rivers, but I don't know their two pays in there, but they are -- and it could be that if we drilled some more wells, we might accidentally get the other pay. They are fairly close together.

Q These wells that you are applying for here, you only have the Seven Rivers open?

A That's right.

Q All of these wells are in Section 25; is that right?

A Yes, sir.

Q Are there more than one of these wells in one forty-acre tract? Looks like there is.

A I believe there is; yes.

Q In other words, Unit C would have two wells in it?

A I believe that's right.

Q Would you happen to have the foot locations of those wells?

A No, I don't. I don't have it with me.

Q Well, can you furnish us with that information?

A Yes, sir.

Q Day before yesterday? Now, I've noticed that you have shown the west half of twenty-five, and the east half of twenty-six on this Exhibit A, does this all belong to you?

A It all belongs to me; I have the rights to , I believe, 1200 feet in there.

Q And it would be your intention to expand this flood area to the other area over here?

A Yes, sir.

Q To the other three quarters?

A Yes, sir.

Q How about the diagonal off-sets for this quarter section?

A To this quarter section where I have the injection wells?

Q Yes, sir. Are those wells producing?

A Just Donley, is the only one that has any producing in there out of this pay.

Q Now, where is the Donley?

A There right on the north and east; he has the diagonal and the --

Q I'm talking about the off-sets or the diagonal off-sets on your two leases here? On the east half of the twenty-six and the west half of the twenty-five? That's all.

A There is nobody with any shallow wells producing.

Q Are these wells producing in this section that you are requesting here?

A No, sir.

Q None of them?

A No, sir. They are all deep wells.

MR. UTZ: Any further questions of the

witness? You may be excused.

(witness excused)

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

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