Case Number 48

Application

Trascripts

Small Exhibits

ETC.

IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY CO

1120 SIMMS BLDG. . P. O. BOX 1092 . PHONE 243-6691 . ALBUCNUERQUE, NEW MEXICO

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
November 5, 1969

EXAMINER HEARING

IN THE MATTER OF:

Application of J. J. Travis for a unit agreement, Eddy County, New Mexico.

Application of J. J. Travis for a water-flood project, Eddy County, New Mexico.

) Case No.

) Case No. 4248

BEFORE: Elvis A. UTZ, Examiner.

TRANSCRIPT OF HEARING



MR. UTZ: Case 4247.

MR. HATCH: Application of J. J. Travis for a unit agreement, Eddy County, New Mexico.

MR. HINKLE: I would like for you to also call the next case because we want -- I may want to make a motion that these be consolidated for the purpose of taking testimony.

MR. UTZ: You make the motion now and I will consolidate them.

MR. HINKLE: I would like to move that Cases
4247 and 4248 be consolidated for the purpose of taking
testimony.

MR. UTZ: We will, at this time, call 4247 and 4248. They will be consolidated for the purpose of testimony; separate orders will be written.

MR. HINKLE: Clarence Hinkle, Hinkle, Bondurant and Christy, Roswell, appearing on behalf of Mr. J. J. Travis. We have two witnesses which I would like to have sworn.

(Witnesses sworn.)

(Whereupon, Applicant's Exhibits 1 through 6 were marked for identification.)

J. J. TRAVIS

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

DIRECT EXAMINATION

BY MR. HINKLE:

- Q State your name and your residence.
- A J. J. Travis and I live at Midland, Texas.
- Q You are the Applicant in both Cases, 4247 and 4248?
 - A Yes, sir.
 - Q Are you an independent oil operator?
 - A Yes, sir, I am.
- Q Have you ever testified before the Oil Conservation Commission?
 - A No, sir.
 - Q Are you a graduate geologist?
- A Yes, sir. I graduated from the University of Oklahoma in 1933 in geology.
 - Q Have you practiced your profession since graduation?
- A Yes. I was employed by Amerada Petroleum Corporation and Barnstill Oil Company. I have been self-employed since 1950.

- Q How long have you been operating as an independent operator?
 - A About twenty years.
 - Q And you are interested in the Shugart Queen Area?
 - A Yes, sir.
- Q What is the purpose of your application in connection with 4247?
- A For approval of our unit and for approval of our proposed waterflood.

MR. UTZ: Do you have some exhibits?

MR. HINKLE: We had better have these exhibits marked.

THE WITNESS: This is Exhibit No. 1.

- Q (By Mr. Hinkle) I believe you stated that the application in 4247 is for approval of the North Shugart Queen Unit Agreement?
 - A Yes.
- Q Are you going to be or propose to be the unit operator of this unit?
 - A Yes, sir.
- Q Have you prepared or has there been prepared under your direction certain exhibits for introduction

into this case?

- A Yes, sir.
- Q Now, refer to Exhibit No. 1 and explain what it is and what it shows.
- A Exhibit No. 1 shows the boundaries of our proposed unit and also the proposed injection wells and all the other wells that have been drilled in an approximate two-mile radius from the unit area.
- Q Now, this also shows all the wells within the unit area as well as outside the unit area within a radius of two miles?
 - A Yes, sir.
 - Q What is the red line?
- A It's the location of our cross section which, I believe, is Exhibit 3.
 - Q Will be Exhibit No. 3?
 - A Yes.
- Q What are the characteristics of lands within the proposed unit area?
 - A They are all federal lands.
- Q Has this area been heretofore designated by the United States Geological Surveys areas that are proper for unitization?
 - A Yes, sir.

- Q Have you filed with the application copies of the proposed unit agreement?
 - A Yes, sir.
- Q Is the unit form which you have filed substantially the same form as forms of unit agreements heretofore approved by the Commission and by the United States Geological Surveys where only federal lands are involved?
 - A I believe that's correct, sir.
- Q What do you propose to unitize under this agreement, what formation?
- A The Queen Sand; 200 feet below the top of the Queen Sand will be the entire interval.
- Q What is the primary objective of this unit agreement?
 - A Well, now, in what respect, sir?
 - Q Is it for a waterflood project or for exploration?
- A For waterflood. Our leases on our production have about reached the economic limit.
- Q I believe you stated that Exhibit No. 1 shows all of the proposed injection wells?
 - A Yes, sir.
- Q Now, refer to Exhibit No. 3 and explain what that is and what it shows.

A Exhibit No. 3 is a south-north cross section and it shows the principal producing zone of the Queen colored gray on the cross section.

Now, the gray sand member of the Queen is a rather isolated sand lense which disappears to the east and to the south and to the west and partly to the north and I believe that will -- is evident from this cross section.

- Q It is because of that situation that you based your productive limts of this area?
 - A That's right.
 - Q Or the limts of the proposed unit area?
 - A That's right.
- Q Does this show a continuity throughout the proposed unit area of the producing wells within the unit area?
- A Yes, sir. The Queen can be correlated very accurately over this entire unit area.
- Q The portion you have shown in red is that approximately 200 feet?
- A No, sir. The 200 feet interval is from here down to here. This is only about 100 feet here in the top of the upper Queen.

- Q Will all that interval be subject to waterflood the whole 200?
- A Yes, sir; but, the gray sand, of course, is the principal member.
 - O Principal member?
 - A Yes.
- Q Do you have any further comment with respect to this exhibit?
 - A No, sir.
- Q Now, refer to Exhibit No. 4 and explain what that is and what is shows.
 - A Exhibit No. 4 is an isovol map.
 - Q What is an isovol map?
- A An isovol map is a map that was prepared by a combination of net acre feet and porosity and it shows the productive limits of the proposed flood.
- Q Based upon this map you decided upon the proposed limits of the unit agreement; is that right?
 - A Yes, sir.
 - Ω Or unit area?
 - A Yes, sir.
- Q And has this area, the boundaries of it, been approved by the USGS?

- A Yes, sir.
- Q Has USGS also attentively approved the proposed injection wells?
 - A I believe that's correct, sir.
- Q Does the unit agreement contain an allocation formula?
- A Yes, sir. It's essentially based on net acre and porosity.
 - Q Has that formula been approved by the USGS?
 - A Yes, sir.
- Q And the USGS has also approved the form of unit agreement?
 - A Yes, sir.
- Q Do you have any further comments with respect to this exhibit?
 - A I believe not; no, sir.
- Q In your opinion will the approval of this unit agreement as a conversion measure be in the interest of conservation and prevention of waste?
- A Yes; I think so. Our wells, as I mentioned, are down to their economic limit at the present time.
- Q And will tend to promote the greatest recovery of unitized substances?

- A Yes, sir.
- Q And will also tend to protect correlative rights?
 - A Yes, sir.

MR. HINKLE: I believe that's all of this witness.

MR. UTZ: Will the next witness have any information on what the wells are now producing?

MR. HINKLE: Yes.

MR. UTZ: Any questions of the witness?

CROSS EXAMINATION

BY MR. UTZ:

- Q Now, in reference to this 260 feet, I believe you said from here to here. Did you mean here at the base of the Seven Rivers?
- A Yes, sir, from -- actually the top of the Queen 200 feet below.
 - Q Two hundred feet down into the Queen Formation?
 - A Yes.
 - Q That's the unitized section?
 - A Yes, sir.

MR. UTZ: Other questions? He may be excused.

(Witness excused.)

LOUIS BURLESON

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

DIRECT EXAMINATION

BY MR. HINKLE:

- Q State your name, your residence and your official position.
- A My name, Louis Burleson. I am a petroleum consultant in Midland, Texas, and have been hired to come up here and testify for Mr. Travis's waterflood.
- Q Have you previously testified before the New Mexico Oil Conservation Commission?
 - A Yes, I have.
- Q And your qualifications as a geologist are a matter of record with the Commission?
 - A Yes, it is.
 - Q Have you made a study of this proposed unit area?
 - A Yes, I have.
 - Q What does that study consist of?
- A In studying all the net pay thicknesses and help in preparing the isovol maps and the study in applying the injection well patterns that we will use for this

waterflood.

The current production in this field per well is .95 or less than one barrel per day for the 11 producers in this Queen Sand Lense.

- Q So, they are at a depleted stage of production?
- A Yes, they are. We have -- on the -- we have studied the economics of waterflooding and using our core analysis and have come up with a figure of 1,712,185 barrels of oil in place and --
 - Q Originally in place?
- A -- in place in this sand lense. Using a 14 percent recovery factor for primary, this will give a primary figure of 239,706 barrels of oil.
- Q And what do you anticipate might be the recovery through secondary operation?
- A Based on the pot tests on two cores and a sweep efficiency of 78 percent, we come up with a recovery of secondary and primary of 36 percent of the oil in place, which would give us a total primary and secondary recovery of 616,387 barrels of oil which would mean that our secondary reserve would amount to 476,204 barrels of oil.
- Q I believe the Exhibit No. 1 shows a proposed injection well, does it not?

A Yes, sir, and we have a peripheral flood which will start in the Travis Keohane No. 3 which is located in unit -- which is located in unit "N" of Section 21 and in the Travis Littlefield Well which is -- which will be located in Section "P" of Section 20.

These two will be the first wells which would be our injection wells. Subsequent pattern would -- shown by triangles on this map would be the Chambers and Kennedy No. 2, Gulf Well in Section 20; then up to the Travis Shugart No. 1 in Section 20; to the Travis-Kenwood No. 2 in Section 21; to the Travis-Kenwood No. 4 in Section 21; to the Travis-Kenwood No. 4 in Section 21; to the Travis-Kenwood No. 3 in 21 and the Travis Keohane No. 2 in 21.

Our main two producing wells will be the No. 1 Keohane and the No. 1 Kenwood in Section 21.

- Q In your opinion will this pattern of injection wells be the most effective way to waterflood this area?
 - A Yes, sir, it will.
- Q Have you prepared or has there been prepared under your direction any other exhibits?
- A In Exhibit 5, we have a diagram of all of the proposed injection wells which shows the casing, the top

of the cement and the perforated interval, where our packers will be set, where our plastic-coated tubing will be set with packer; our anulus filled with treated water and on several wells, which were drilled into the Penrose Sand it shows where the bridge plug has been set or will be set on these injection wells.

- Q Now, this exhibit, which is No. 5, includes a diagramatic sketch of each of the proposed injection wells, does it not?
 - A Yes, sir; that is correct.
 - Q Now, are all of these to be similarly completed?
 - A Yes, sir, they are.
- Q Is there any reason why you should testify as to each one of these or are they all substantially the same?
- A They would all be the same unless -- everyone will -- every well is perforated in the Queen and every well has a very similar casing program on them.
 - Q I believe you ---

MR. UTZ: Do they all show the top of the cement on the production string?

THE WITNESS: Yes, sir.

MR. UTZ: I can't see it.

THE WITNESS: No, sir. They don't show the top of the cement on the --

MR. UTZ: Do you have that information?

(Whereupon, an off-the-record discussion was held.)

- Q (By Mr. Hinkle) How old are these wells?
- A They were drilled approximately eight to nine years ago.
- Q So, you do not have the exact information as to the cement tops?
- A No, sir; but, we can get that information and supply it.

MR. UTZ: Would you do that and supply it to us, please?

THE WITNESS: All right.

- Q (By Mr. Hinkle) In supplying that write a letter to the Commission, refer to this case and that this information is being supplied pursuant to request made at the Examiner's Hearing in this case.
 - A All right.
- Q I believe you testified that the tubing would be plastic-coated?
 - A Yes, sir.

- Q Do you propose to fill the anulus between the --
- A Yes, sir. It will be filled with treated water.
- Q Would you install a gauge at the top?
- A Yes, sir, we will.
- Q Approximately how much water do you propose to inject in these wells?
- A It will depend on how many wells that we have in injection; but, we plan to start off with approximately 300 barrels per day and it may take several years to reach up to a maximum amount.

Of course, we have to know what kind of pressure we will be dealing with in our injection patterns and they should be approximately 7 to 800 pounds and -- but, they could go up we feel, if it is similar to other operators in the area, up to 1500 pounds.

- Q Where do you propose to obtain the water for injection?
- A The water is -- there's currently a water -- fresh water line owned by the Double Eagle Water Company that goes across this lease and this fresh water will be used to waterflood this Queen Sand Lense.
 - Q It will be purchased from the water company?
 - A Yes, sir.

- Q And that is fresh water?
- A Yes, sir.
- Q Do you have any further comments with respect to any of these exhibits?
 - A No, sir, I do not.

MR. HINKLE: We would like to offer in evidence Exhibits 1 through 6.

MR. UTZ: Without objection, Exhibits 1 through 6 will be entered into the record of this case.

MR. HINKLE: That's all the direct.

CROSS EXAMINATION

BY MR. UTZ:

- Q The tubing size on all these is two and three-eighths?
 - A Yes, sir.
 - Q All plastic-coated; is that correct?
 - A Yes, sir.
- Q Now, are the locations shown on your Exhibit
 A with your application correct?
 - A Yes, sir, they are.

MR. UTZ: Other questions of the witness. He may be excused.

(Witness excused.)

MR. UTZ: Statements? We will take the case under advisement.

(Whereupon, a recess was taken until one-thirty.)

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Applicant's Exhibits 1 through 6

2

STATE OF NEW MEXICO)
) ss
COUNTY OF BERNALILLO)

I, Glenda Burks, Court Reporter 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.

Dlenda Burka NOTARY PUBLIC

My Commission Expires:

March 12, 1973

i do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Cisa to 72.

Her Merico Oil Conservation Corrisoron



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO P. O. BOX 2008 - SANTA FE GOVERNOR DAVID F. CARGO CHAIRMAN

LAND COMMISSIONER ALEX J. ARMIJO

STATE GROLOGIST A. L. PORTER, JR. SECRETARY - DIRECTO

December 17, 1969

Mr. Clarence Hinkle Hinkle, Bondurant & Christy Attorneys at Law Post Office Box 10 Roswell, New Mexico 88201	Re:	Case NoOrder NoApplicant:	4248 R-3871-A Travis
Dear Sir:			
Enclosed herewith are two copies sion order recently entered in t			ferenced Commis-

A. L. PORTER, Jr. Secretary-Director

Very truly yours,

ALP/ir	
Copy of order also sent to:	
Hobbs OCC ×	
Artesia OCCx	
Aztec OCC	
Other U.S. Geological Survey - Artesia, N. M.	

Mr. D. E. Gray, State Engineer Office, Santa Fe, N. M.

DEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

CASE No. 4248 Order No. R-3871-A

IN THE MATTER OF THE APPLICATION OF J. J. TRAVIS FOR A WATERFLOOD PROJECT, EDDY COUNTY, NEW MEXICO.

MUNC PRO TUNC ORDER

BY THE CONSISSION:

It appearing to the Commission that due to clerical error, Order No. R-3871, dated November 10, 1969, does not correctly state the intended order of the Commission,

IT IS THEREFORE ORDERED:

(1) That the location of the J. J. Travis Kechane Federal Well No. 3, as set forth on Page 3 of Order (1) of Order No. R-3871, is hereby corrected to read as follows:

J. J. Travis Kechane Federal Well No. 3, located 330 feet from the South line and 1980 feet from the West line of Section 21

rather than:

J. J. Travis Kechane Federal Well No. 3, located 300 feet from the South line and 1980 feet from the West line of Section 21

in order to show the true location of said well.

(2) That the correction as set forth above shall be effective nunc pro tunc as of November 10, 1969.

DONE at Santa Fe, New Mexico, on this 17th day of December, 1969.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

DAVID F. CARGO, Chairman

ALEX J ARMIJO, Member

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

OIL CONSERVATION COMMISSION P. O. BOX 2088 SANTA FE. NEW MEXICO 87501

November 10, 1969

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

pear Sir:

Enclosed herewith is Commission Order No. R-3871, entered in Case Fio. 4248, approving the J. J. Travis North Shugart Queen Unit Water-flood Project.

injection is to be through the nine authorized water injection wells, each of which is to be equipped with a string of plastic-lined tubing set in a packer. Packers shall be set approximately 100 feet above the uppermost perforation. The casing-tubing annulus shall be loaded with a corrosion inhibited fluid and equipped with a pressure gauge at the surface.

As to allowable, our calculations indicate that when all of the authorised 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 462 barrels per day when the Southeast New Mexico normal unit allowable is 42 barrels per day or less.

riesse 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 in the status of wells in the project area, i.e., than 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.

OIL CONSERVATION COMMISSION P. O. BOX 2088 SANTA FE, NEW MEXICO 87501

-2-Mr. Clarence Rinkle Hinkle, Bendurant & Christy Attorneys at Law Post Office Box 10 Roswell, New Mexico Movember 10, 1969

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

Very truly yours,

A. L. PORTER, Jr. Secretary-Director

ALP/DEE/LT

ce: Oil Conservation Commission Hobbs and Artesia

> U. S. Geological Survey Drawer U Artesia, New Mexico 88210

Mr. D. E. Gray State Engineer Office Santa Fe, New Mexico

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED BY THE OIL COMSERVATION COMMISSION OF NEW MEXICO FOR THE PURPOSE OF CONSIDERING:

> CASE No. 4248 Order No. R-3871

APPLICATION OF J. J. TRAVIS FOR A WATERFLOOD PROJECT, EDDY COUNTY, MEN MEXICO.

ORDER OF THE COMMISSION

BY THE CONGILLSION:

This cause came on for hearing at 9 a.m. on November 5, 1969, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

MOM, on this 10th day of Movember, 1969, 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, J. J. Travis, seeks permission to institute a waterflood project in his North Shugart Queen Unit Area, Shugart (Yates-Seven Rivers-Queen-Grayburg) Pool, by the injection of water into the Queen formation through nine injection wells at orthodox and unorthodox locations in Sections 20 and 21, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico.
- (3) That the applicant further seeks the establishment of an administrative procedure whereby the Secretary-Director of the Commission may authorize additional injection wells at orthodox and unorthodox locations within said waterflood project area as may be necessary to complete an efficient injection pattern without the necessity of showing well response.

-2-CASE No. 4248 Order No. R-3871

- (4) That the wells in the project area are in an advanced state of depletion and should properly be classified as "stripper" wells.
- (5) That the proposed waterflood project should result in the recovery of otherwise unrecoverable oil, thereby preventing waste.
- (6) 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; provided however, that the showing of well response as required by Rule 701 E-5 shall not be necessary before obtaining administrative approval for the conversion of additional wells to water injection, and provided further, that said injection wells are drilled no closer than 330 feet to the outer boundary of the Morth Shugart Queen Unit nor closer than 10 feet to any quarter-quarter section or subdivision inner boundary.

IT IS THEREFORE ORDERED:

- (1) That the applicant, J. J. Travis, is hereby authorised to institute a waterflood project in his North Shugart Queen Unit Area, Shugart (Yates-Seven Rivers-Queen-Grayburg) Pool, by the injection of water into the Queen formation through the following-described wells at orthodox and unorthodox locations in Township 18 South, Range 31 East, MMPM, Eddy County, New Mexico:
 - J. J. Travis Shugart Federal Well No. 1, located 2310 feet from the North line and 330 feet from the East line of Section 20;

Chambers & Kennedy Gulf Pederal Well No. 2, located 2310 feet from the South line and 330 feet from the East line of Section 20;

- J. J. Travis Littlefield Federal Well No. 1-AA, located 990 feet from the South line and 660 feet from the East line of Section 20;
- J. J. Travis Kenwood Federal Well No. 4, located 990 feat from the North line and 1650 feet from the West line of Section 21;

-3-CASE No. 4248 Order No. R-3871

- J. J. Travis Kenwood Federal Well No. 2, located 990 feet from the North line and 330 feet from the West line of Section 21:
- J. J. Travis Kenwood Federal Well Ho. 3, located 2310 feet from the Worth line and 1650 feet from the West line of Section 21;
- J. J. Travis Keohane Federal Well No. 2, located 2310 feet from the South line and 1650 feet from the West line of Section 21;

Mark Production Co. Texaco Pederal Well No. 1, located 990 feet from the South line and 330 feet from the West line of Section 21;

- J. J. Travis Keohane Federal Well No. 3, located 300 feet from the South line and 1980 feet from the West line of Section 21.
- (2) That the subject waterflood project is hereby designated the North Shugart Queen Unit Waterflood Project and shall be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations;

PROVIDED HOMEVER, that the Secretary-Director of the Commission may approve such additional injection wells at orthodox and unorthodox locations within said waterflood project area as may be necessary to complete an efficient injection pattern; provided said wells are drilled no closer than 330 feet to the outer boundary of the Morth Shugart Queen Unit nor closer than 10 feet to any quarter-quarter section or subdivision inner boundary, and provided further, that the application therefor has been filled in accordance with Rule 701 B of the Commission Rules and Regulations, and provided further, that a copy of the application has been sent to all offset operators, if any there be, and no such operator has objected within 15 days. The showing of well response as required by Rule 701 E-5 shall not be necessary before obtaining administrative approval for the conversion of additional wells to water injection.

(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-CASE No. 4248 Order No. R-3871

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

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

STATE OF MEN MEXICO OIL COMBERVATION COMMISSION

DAVID F. CARGO, Chairman

LEX 3 HOUSE MADE

A. L. PORTER, Jr., Sember & Secretary

According to our records The I. J. Travis Reshave Feberal # 3 is located 330 from the South line, not 300 as shown on order

R- 3871.

-3-CASE No. 4248 Order No. R-3371

J. J. Travis Kenwood Federal Well No. 2, located 990 feet from the North line and 330 feet from the West line of Section 21;

J. J. Travis Kenwood Federal Well No. 3, ✓ located 2310 feet from the North line and ∠ 1650 feet from the West line of Section 21;

J. J. Travis Kechane Federal Well No. 2, located 2310 feet from the South line and 1650 feet from the West line of Section 21;

Mark Production Co. Temaco Federal Well No. 1, 100 located 990 feet from the South line and 330 feet from the West line of Section 21;

J. J. Travis Keohane Federal Well No. 3, located 300 feet from the South line and 1980 feet from the West line of Section 21.

Sold of the

(2) That the subject waterflood project is hereby designated the North Shugart Queen Unit Waterflood Project and shall be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations;

PROVIDED MOWEVER, that the Secretary-Director of the Commission may approve such additional injection wells at orthodox and unorthodox locations within said waterflood project area as may be necessary to complete an efficient injection pattern; provided said wells are drilled no closer than 330 feet to the outer boundary of the North Shugart Queen Unit nor closer than 10 feet to any quarter-quarter section or subdivision inner boundary, and provided further, that the application therefor has been filed in accordance with Rule 701 B of the Commission Rules and Regulations, and provided further, that a copy of the application has been sent to all offset operators, if any there be, and no such operator has objected within 15 days. The showing of well response as required by Rule 701 B-5 shall not be necessary before obtaining administrative approval for the conversion of additional wells to water injection.

(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.

ROUGH DRAFT FOR WATERFLOOD LETTERS

Mr. Clarence Hinkle
Hinkle, Bondurant & Christy
Attorneys at Law - Post Office Box 10
Roswell, New Mexico 88201

Dear Sir:

Commission Order No. R-3871	entered in Case No.		
Late	August	Commission Order No. R-3871	entered in Case No.
Late	August	Commission Order No. R-3871	entered in Case No.
Late	August	Constant	Constant
Waterflood Project.	Suppose the fire of the project		
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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 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.

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

cc: OCC: Hobbs__x

Artesiax

Aztec

USGS artisia

Mr. Frank-Frby, State Engineer Office, Santa Fe, New Mexico

Mr. D. E. Gray

DOCKET: EXAMINER HEARING - WEDNESDAY - NOVEMBER 5, 1969

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING - SANTA FE, NEW MEXICO

The following cases will be heard before Elvis A. Utz, Examiner, or Daniel S. Nutter, Alternate Examiner:

- CASE 4243: Application of Mobil Oil Composition for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dommingle production from the Vacuum-Upper Pennsylvanian Pool and the Vacuum-Middle Pennsylvanian Pool in the wellbore of its Bridges State Well No. 121 located in Unit L of Section 13, Township 17 South, Range 34 East, Lea County. New Mexico.
- CASE 4244: Application of Gulf Oil Corporation for an amendment to Order No. R-1084, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-1084 to permit the simultaneous dedication of the 480-acre non-standard gas proration unit established by said order to its H. T. Mattern (NCT-E) Wells No. 10 and 11 located, respectively, 660 feet from the South line and 1980 feet from the West line of Section 1 and 1980 feet from the East line and 660 feet from the North line of Section 12, both in Township 22 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico. Applicant further seeks authority to produce the allowable assigned to said unit from either of the aforesaid wells in any proportion.
- CASE 3889: In the matter of Case No. 3889 being responde pursuant to the provisions of Order No. R-3585, which order established 160-acre spacing units and 160-acre proportional factors of 4.77 for the Middle Allison-Pennsylvanian Pool, Lea and Roosevelt Counties, New Mexico, for a period of one year. All interested particle may appear and they cause why caid pool should not be developed on less than 160-acre spacing and why the 160-acre proportional factor of 4.77 should or should not be retained.
- CASE 4245: Application of Texas Pasifile Gil Gompany, Ind., for several non-standard gas prometries units, Lea County, New Mexico.

 Applicant, in the above-styled dause, deaks the dedication and rededication of centrain wareage and the establishment of the following non-standard gas promation units in Sownships 22 and 23 South, Range 36 East, Calmat Gas Pool, Lea County, New Mexico:

New Mexico.

A 160-acre unit comprising the W/2 SE/4 and the E/2 SW/4 of Section 8, Township 22 South, Range 36 East, to be dedicated to the State "A" a/c-2 Well No. 56 located in Unit J of said Section 8;

A 200-acre unit comprising the NW/4 and the NW/4 SW/4 of Section 11, Township 22 South, Range 36 East, to be dedicated to the State "A" a/c-2 Well No. 42 located in Unit E of said Section 11;

A 280-acre unit comprising the SE/4, S/2 SW/4, and the NE/4 SW/4 of Section 11, Township 22 South, Range 36 East, to be dedicated to the State"A" a/c-2 Well No. 36 located in Unit M of said Section 11;

A 200-acre unit comprising the N/2 NE/4, the SE/4 NE/4, and the NE/4 NW/4 of Section 15 and the SE/4 SW/4 of Section 10, Township 23 South, Range 36 East, to be dedicated to the State "A" a/c-1 Well No. 31 located in Unit H of said Section 15;

A 160-acre unit comprising the S/2 NW/4, SW/4 NE/4 and the NW/4 NW/4 of Section 15, Township 23 South, Range 36 East, to be dedicated to the State "A" a/c-1 Well No.33 located in Unit F of said Section 15;

A 240-acre unit comprising the SW/4 of Section 3 and the N/2 NW/4 of Section 10, Township 23 South, Range 36 East, to be dedicated to the State "A" a/c-1 Well No. 35 located in Unit L of said Section 3:

A 160-acre unit comprising the S/2 NW/4 and N/2 SW/4 of Section 10, Township 23 South, Range 36 East, to be dedicated to the State "A" a/a-1 Well No. 37 located in Unit F of said Section 10.

CASE 4246: Application of Humble Oil & Refining Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the San Andres formation in the perforated interval from 3860 feet to 4020 feet in its New Mexico "S" State Well No. 26 located in Unit L of Section 2, Township 22 South, Range 37 East, South Eunide-San Andres Pool, Lea County,

CASE 3928: (Reopened)

In the matter of Case No. 3928 being reopened pursuant to the provisions of Order No. R-3586, which order established 80acre spacing units for the East Shoe Bar-Devonian, Lea County, New Mexico, for a period of one year. All interested parties may appear and show cause why said pool should not be developed on 40-acre spacing units.

CASE 4247:

Application of J. J. Travis for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the North Shugart Queen Unit Area comprising 520 acres, more or less, of federal lands in Sections 20, 21, and 28, Township 18 South, Range 31 East, Shugart (Yates-Seven Rivers-Queen-Grayburg) Pool, Eddy County, New Mexico.

CASE 4248:

Application of J. J. Travis for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in his North Shugart Queen Unit Area by the injection of water into the Queen formation through nine wells at orthodox and unorthodox locations in Sections 20 and 21, Township 18 South, Range 31 East, Shugart (Yates-Seven Rivers-Queen-Grayburg) Pool, Eddy County, New Mexico. Applicant further seeks a procedure whereby additional injection wells at orthodox and unorthdox locations may be approved administratively.

CASE 4249: Application of Tenneco Oil Company for amendment of Order No. R-3822 and off-lease storage, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks amendment of Order No. R-3822, which order pooled all mineral interests in the Basin-Dakota Gas Pool underlying the N/2 of Section 11, Township 29 North, Range 13 West, San Juan County, New Mexico, to form a 320-acre gas promation unit dedicated to a well to be drilled at an unorthodox location 2250 feet from the North line and 600 feet from the East line of said Section 11. Applicant now seeks amendment of said order to permit the drilling of said well at a point 2390 feet from the North line and 275 feet from the East line of said Section 11. Applicant further seeks authority to transport, prior to measurement, to another lease for storage the liquid hydrocarbons produced by the subject well.

CASE 3455: (Recpened):

In the matter of Case No. 3455 being respende pursuant to the provisions of Order No. R-2565-B, which order, among other things, established 320-acre spacing units for the West Puerto Chiquito-Mancos Oil Pool, Rio Arriba County, New Mexico, for a period of three years. All interested parties may appear and show cause why said pool should not be developed on 40-acre spacing units.

- CASE 4250: Application of McCrary & Franklin for waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the Grayburg and Lovington sands through their Shipley Well No. 2 located in Unit K of Section 3, Township 17 South, Range 29 East, Square Lake Pool, Eddy County, New Mexico.
- CASE 4251: Application of Kersey & Company for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the Queen formation through its Welch Well No. 2 located in Unit G of Section 4 and its Welch Well No. 4 located in Unit C of Section 4, both in Township 19 South, Range 31 East, Shugart Pool, Eddy County, New Mexico.
- CASE 4220: (Continued from the October 8, 1969, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit E. P. Campbell, and all other interested parties to appear and show cause why the E. P. Campbell Christmas Well No. 1 located in Unit C of Section 6, Township 23 South, Range 36 East, Jalmat Pool, Lea County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

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Docket No. 30-69

DOCKET: EXAMINER HEARING - WEDNESDAY - NOVEMBER 5, 1969

9 A.M. - OIL CONSERVATION COMMISSION CONSERENCE ROOM, STATE LAND OFFICE BUILDING - SANTA FE, NEW MEXICO

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J. J. TRAVIS

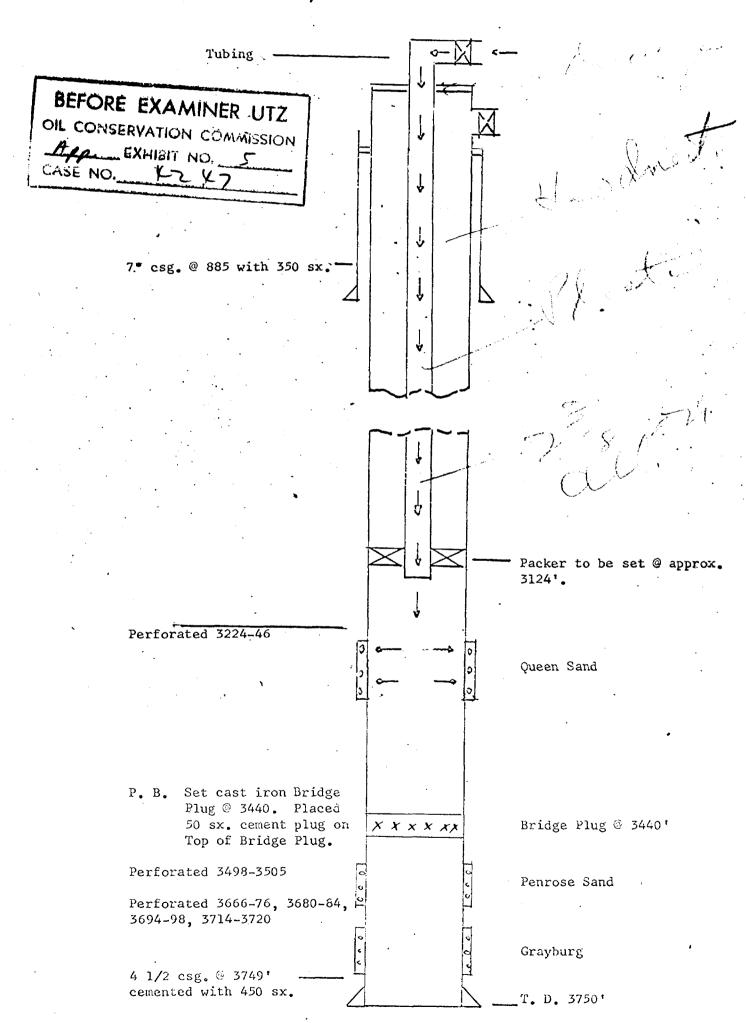
NORTH SHUGART QUEEN UNIT

SCHEMATIC DRAWING OF INJECTION WELL

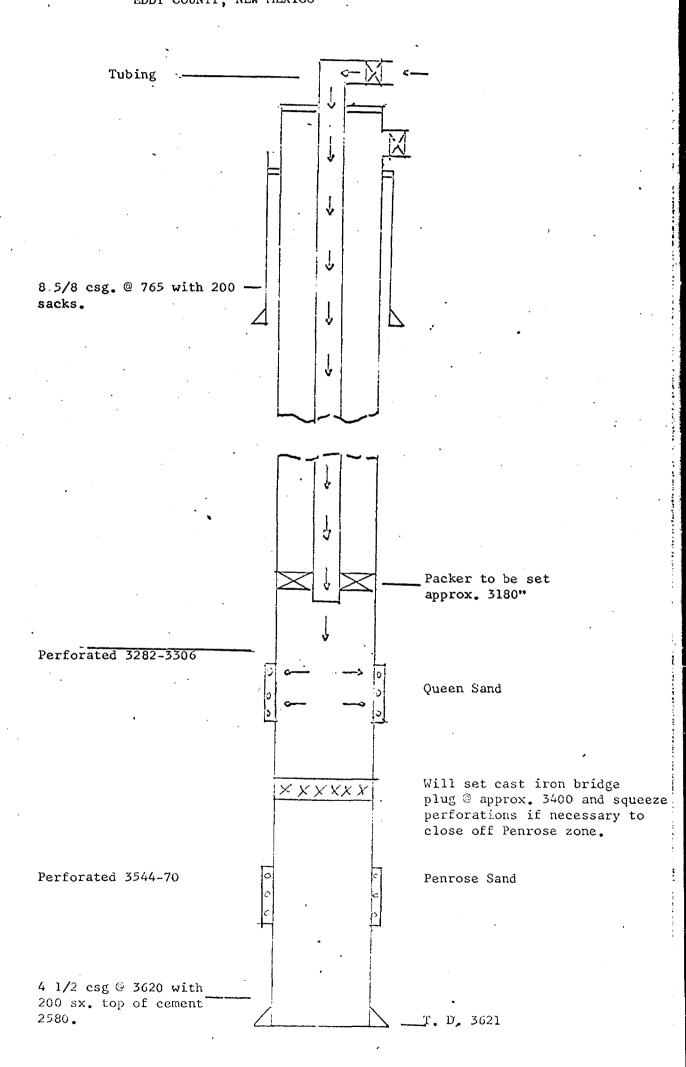
LITTLE FIELD FEDERAL A. A. # 1

90 FS & 660 FEL, Sec. 20, T-18-S, R-31-E

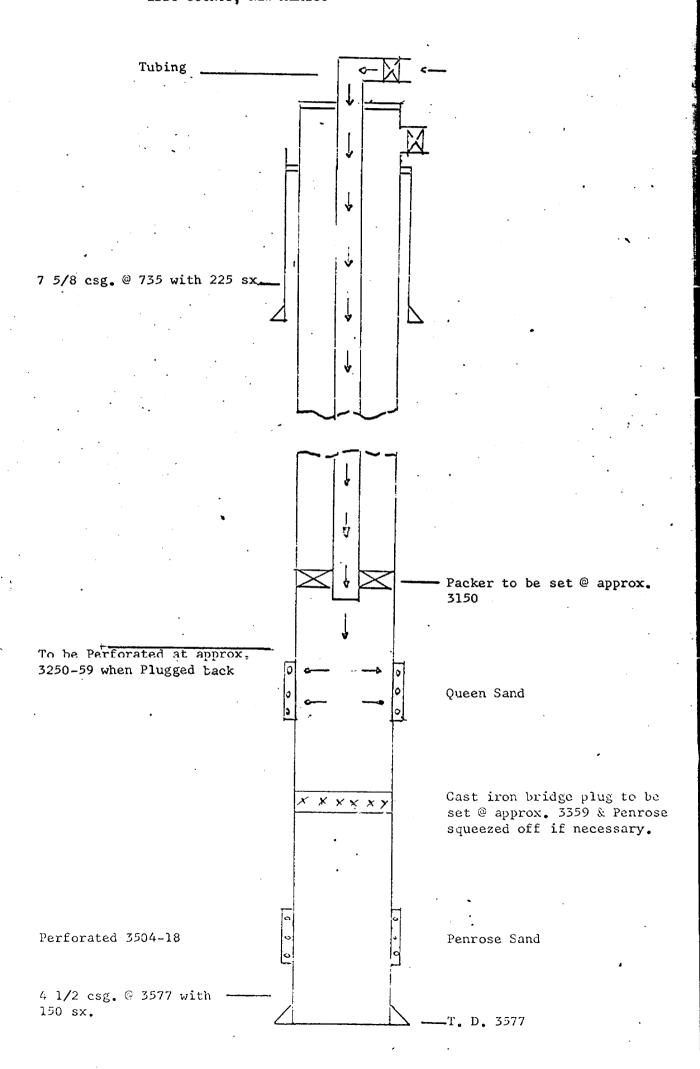
EDDY COUNTY, NEW MEXICO



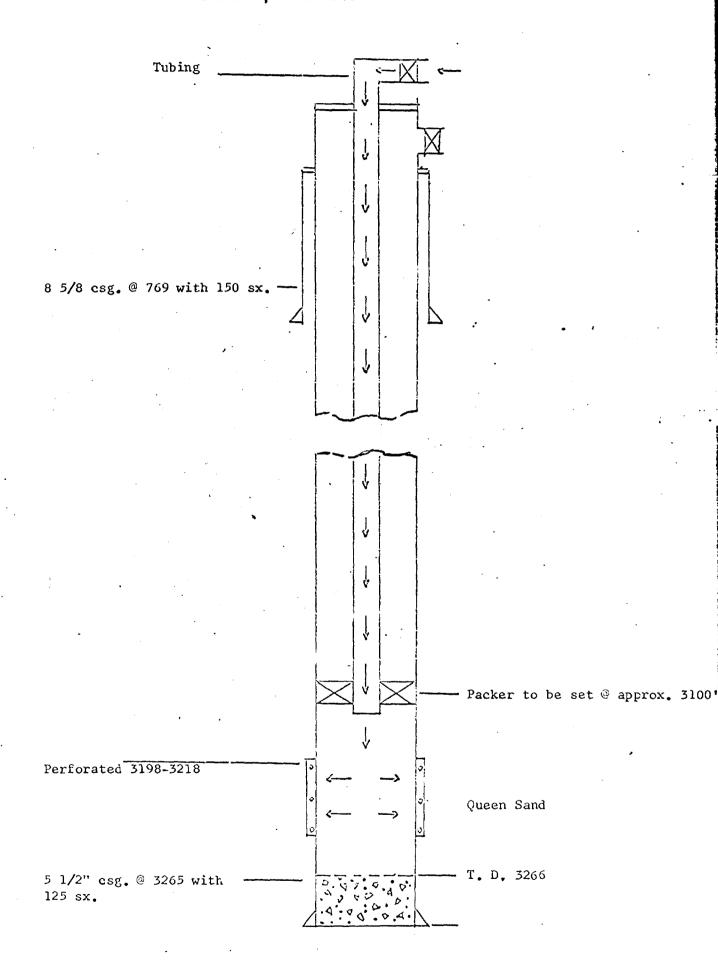
J. J. TRAVIS NORTH SHUGART QUEEN UNIT SCHEMATIC DRAWING OF INJECTION WELL KECHANE FEDERAL #3 330' FS & 1980' FWL, Sec. 21, T-18-S, R-31-E EDDY COUNTY, NEW MEXICO



J. J. TRAVIS NORTH SHUGART QUEEN UNIT SCHEMATIC DRAWING OF INJECTION WELL CHEMICAL EXPRESS TEXACO FEDERAL #1 990' FS & 330' FWL, Sec. 21, T-18-S, R-31-E EDDY COUNTY, NEW MEXICO



CHAMBERS & KENNEDY, N. SHUCART QUEEN UNIT SCHEMATIC DRAWING OF INJECTION WELL GULF FEDERAL #2 2310 FS & 330 FEL, Sec. 20, T-18-S, R-31-E EDDY COUNTY, NEW MEXICO



J. J. TRAVIS

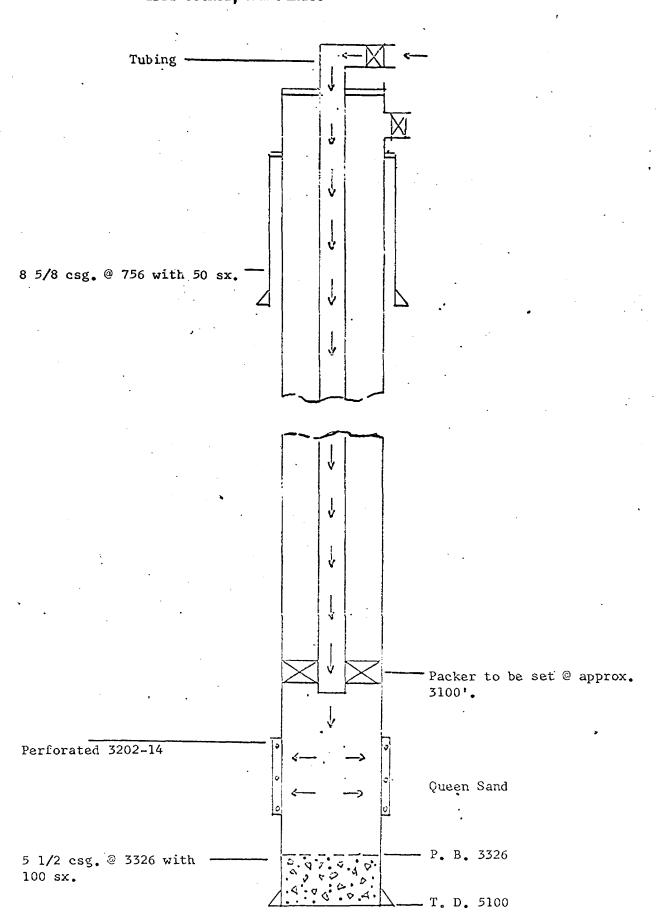
NORTH SHUGART QUEEN UNIT

SCHEMATIC DRAWING OF INJECTION WELL

SHUGART FEDERAL #1

2310 FN & 330 FEL, Sec. 20, T-18-S, R-31-E

EDDY COUNTY, NEW MEXICO



J. J. TRAVIS

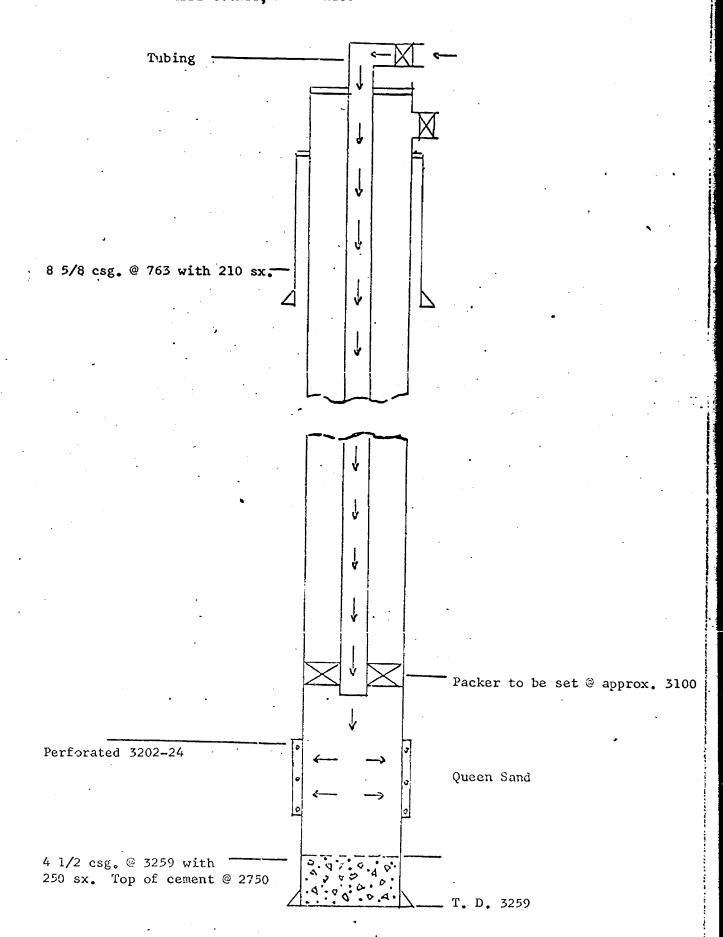
NORTH SHUGART QUEEN UNIT

SCHEMATIC DRAWING OF INJECTION WELL

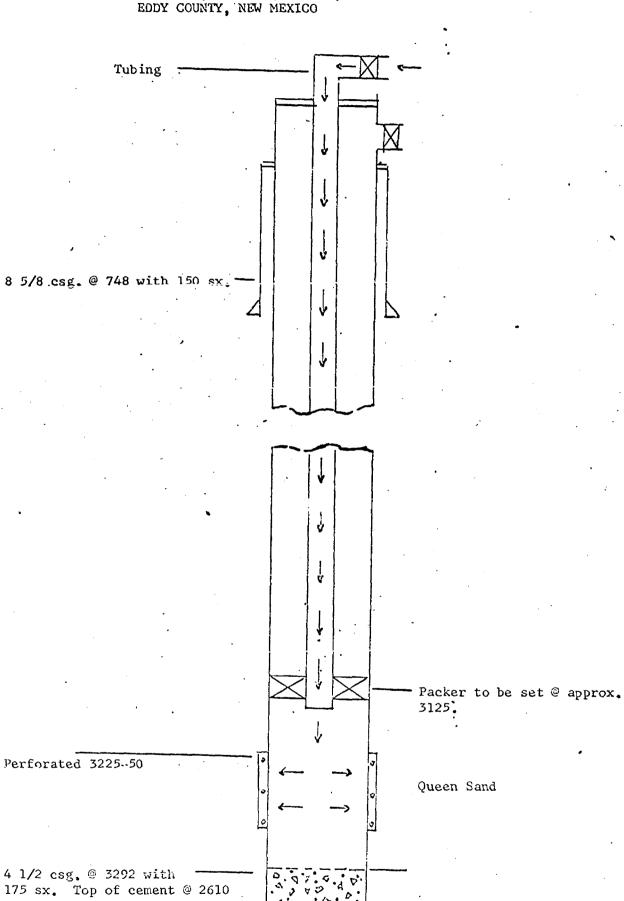
KENWOOD FEDERAL #2

990 FN & 330 FWL, Sec. 21, T-18-S, R-31-E

EDDY COUNTY, NEW MEXICO

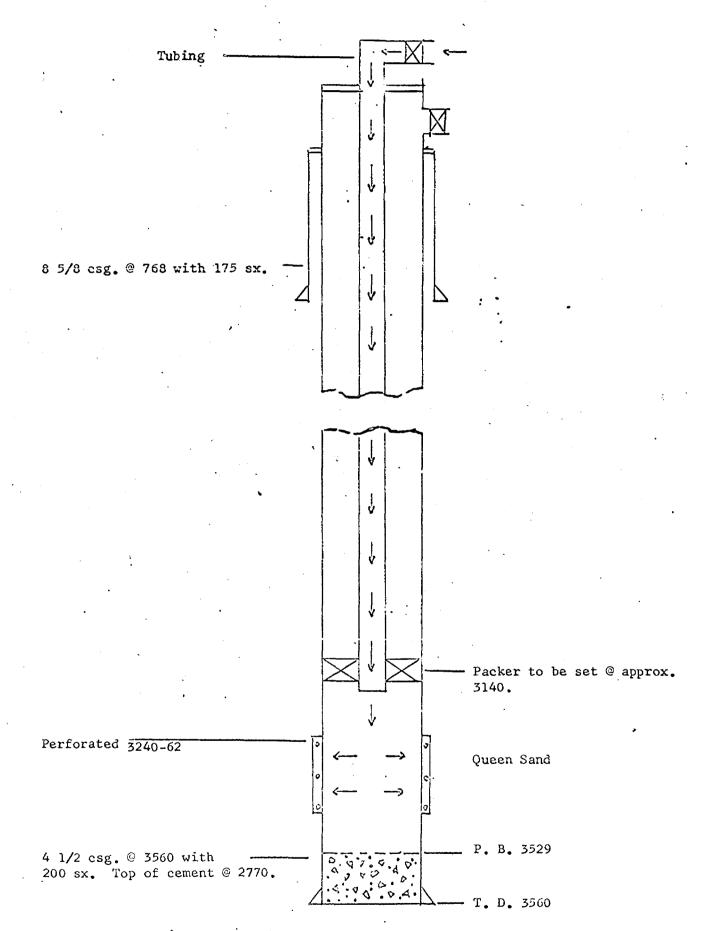


J. J. TRAVIS NORTH SHUGART QUEEN UNIT SCHEMATIC DRAWING OF INJECTION WELL KENWOOD FEDERAL #4 990 FN & 1650 FWL, Sec. 21, T-18-S, R-31-E EDDY COUNTY, NEW MEXICO



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J. J. TRAVIS NORTH SHUGART QUEEN UNIT SCHEMATIC DRAWING OF INJECTION WELL KENWOOD FEDERAL #3 2310 FN & 1650 FWL, Sec. 21, T-18-S, R-31-E EDDY COUNTY, NEW MEXICO



J. J. TRAVIS

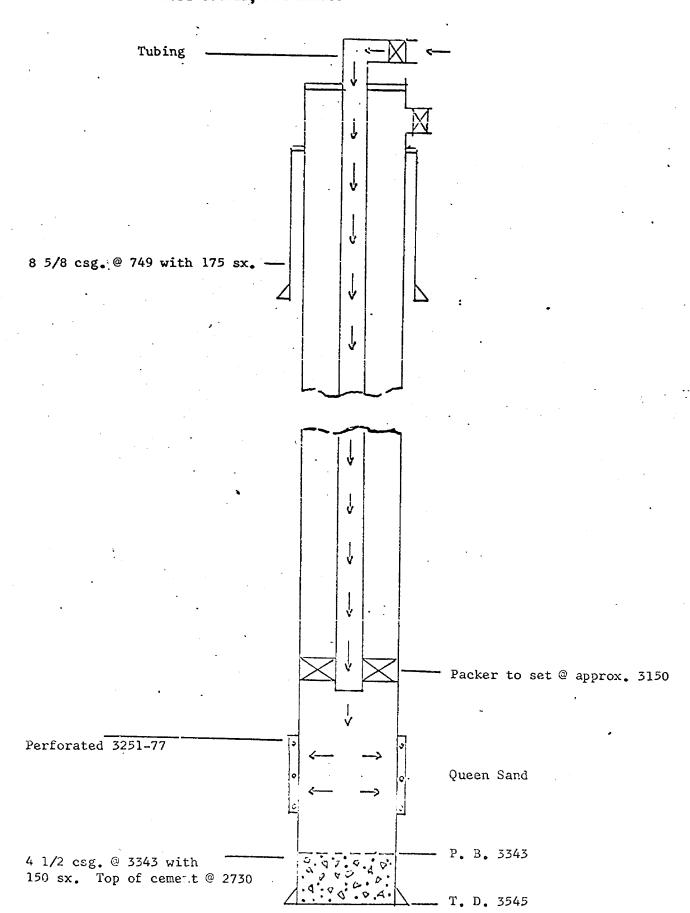
NORTH SHUGART QUEEN UNIT

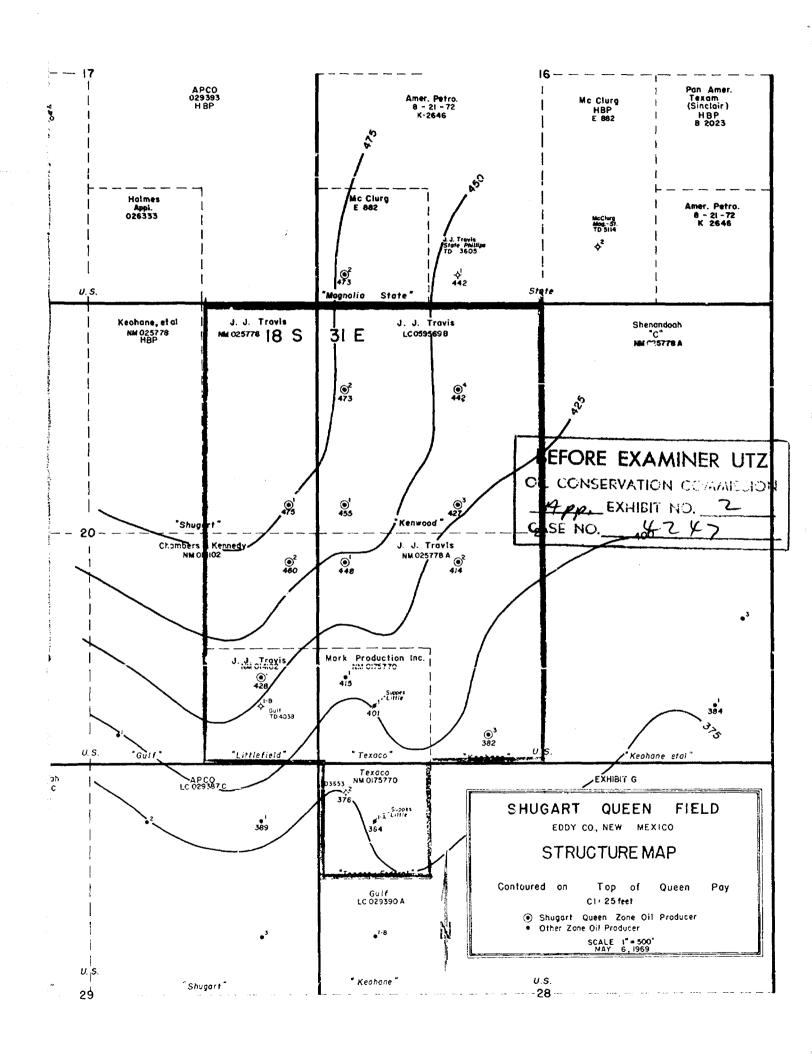
SCHEMATIC DRAWING OF INJECTION WELL

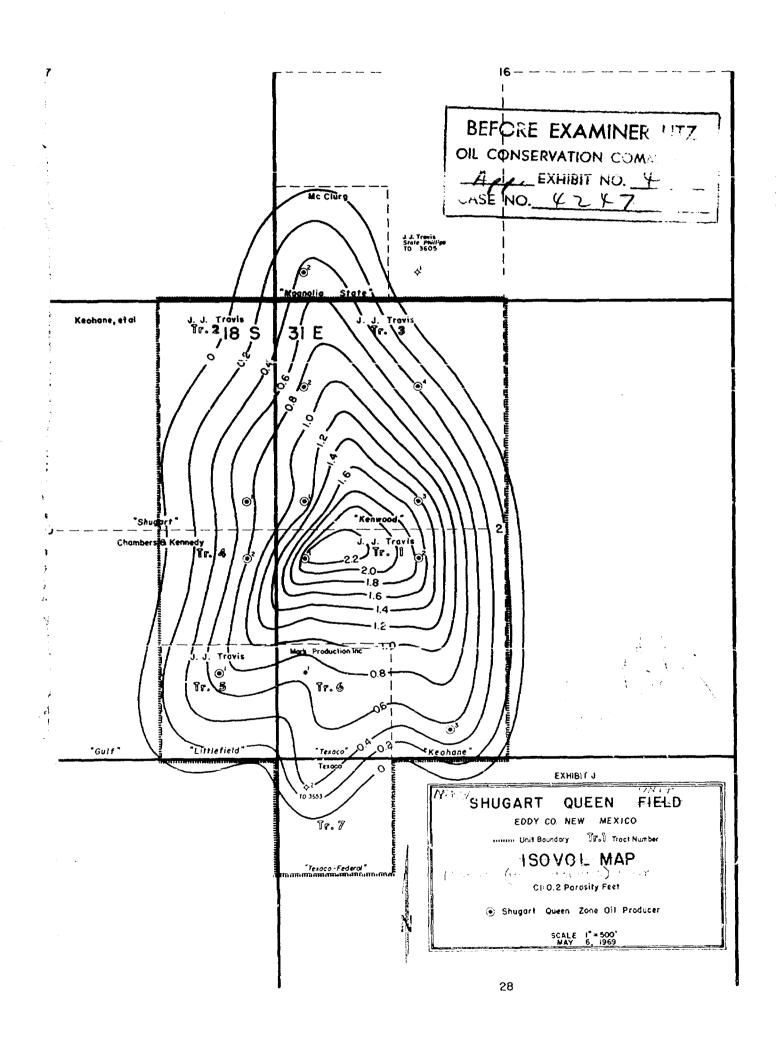
KEOMANE FEDERAL #2

2310 FS & 1650 FWL, Sec. 21, T-18-S, R-31-E

EDDY COUNTY, NEW MEXICO







OCT 31 196**9**

LAW OFFICES

HINKLE, BONDURANT & CHRISTY

MIDLAND, TEXAS OFFICE 521 MIDLAND TOWER (915) MU 3-4891

W. E. BONDURANT, JR.
S. B. CHRISTY IV
LEWIS C. COX, JR.
PAUL W. EAYON, JR.
CONRAD E. COFFIELD
HAROLD L. HENSLEY, JR.
STUART O. SHANOR

CLARENCE E. HINKLE

C.D.HARTIN PAUL J. KELLY, JR. ROSWELL, NEW MEXICO 68201

October 30, 1969

TELEPHONE (505) 622-6510 Post Office Box 10

Oil Conservation Commission Box 2088 Santa Fe, New Mexico 87501

Gentlemen:

We enclose herewith application in triplicate of J. J. Travis for approval of a waterflood project for the North Shugart Queen Unit Area, together with the exhibits referred to therein.

The writer has discussed this matter with Mr. Nutter and the same has been placed on the examiner's hearing docket for November 5 as No. 4248.

Yours very truly,

HINKLE, BONDURANT & CHRISTY

By Clarence E. Kinkle

CEH:cs

Enc.

cc: J. J. Travis

BEFORE THE OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

APPLICATION OF J. J. TRAVIS FOR APPROVAL OF A WATERFLOOD PROJECT FOR THE NORTH SHUGART QUEEN UNIT AREA COMPRISING 520 ACRES IN SECTIONS 20, 21 AND 28, TOWNSHIP 18 SOUTH, RANGE 31 EAST, EDDY COUNTY, NEW MEXICO BY THE INJECTION OF WATER INTO 9 WELLS COMPLETED IN THE QUEEN SAND

Oil Conservation Commission Box 2088 Santa Fc, New Mexico 87501

Comes J. J. Travis of Midland, Texas, acting by and through the undersigned attorneys, and hereby makes application for approval of a waterflood project for the North Shugart Queen Unit Area comprising 520 acres in Eddy County, New Mexico more particularly described as follows:

Township 18 South, Range 31 East

Section 20 - $E_2^1 E_2^1$

Section 21 - $W_2^{\bar{1}}$

Section 28 - NW4NW4

by the injection of water into 9 wells completed in the Queen sand underlying the above described land, and in support thereof respectfully shows:

- 1. That applicant is the unit operator of the proposed unit agreement for the development and operation of the North Shugart Queen Unit Area, which consists of all federal lands, and has made application to the Oil Conservation Commission for approval of said unit agreement as required by applicable rules and regulations.
- 2. Applicant seeks approval of a secondary recovery project covering all of the lands within the proposed North Shugart Queen Unit Area by the injection of water into 9 wells heretofore completed in the Queen sand and which are more particularly described on Exhibit "A" attached hereto.

- 3. There is attached hereto a plat showing the location of the proposed injection wells and the location of all other wells within a radius of 2 miles and the formation from which said wells are producing or have produced. The plat also indicates the lease owners within a radius of 2 miles.
- 4. There is also filed herewith copies of the electrical logs of the 9 injection wells, except the log of the No. 1 Shugart Federal located in Section 20, which is not available.
- 5. There is filed herewith diagrammatic sketches of each of the proposed injection wells showing all casing strings, including diameters and setting depths, quantities used and tops of cement, perforated or open hole intervals, tubing strings, including diameters and setting depths, and packers which willbe used.
- 6. Applicant seeks to have assigned to the North Shugart Queen Unit Area a maximum project allowable in accordance with Rule 701 of the Commission.
- 7. Applicant believes that the proposed water flood project is in the interest of conservation and the prevention of waste and will promote the greatest ultimate recovery of oil and gas and protect correlative rights.

Applicant requests that this matter be set down for the examiner's hearing to be held on November 5, 1969.

Respectfully submitted,

J.J. TRAVIS

Member of the Firm of

HÍNKLE, BONDURANT & CHRISTY

Box 10

Roswell, New Mexico

EXHIBIT "A"

Proposed injection wells North Shugart Queen Unit Area, Eddy County

No. 3 Keohane Federal located 1980 feet from the West line and NSL 300 Feet from the South line of Section 21; No. 1-AA Littlefield Federal located 990 feet from the South line and 660 feet from the East line of Section 20; Chambers & Kennedy No. 2 Gulf Federal located 2310 feet from the South line and 330 feet from the East line of Section 20; No. 1 Shugart Federal located 2310 feet from the North line and 330 feet from the East line of Section 20; J. J. Travis No. 2 Kenwood Federal located 990 feet from the North line and 330 feet from the West line of Section 21; ν J. J. Travis No. 4 Kenwood Federal located 990 feet from the North line and 1650 feet from the West line of Section 21; J. J. Travis No. 3 Kenwood Federal located 2310 feet from the North line and 1650 feet from the West line of Section 21; Mark Productin Company Texaco Federal No. 1'located 990 feet from the South line and 330 feet from the West line of Section 21; J. J. Travis No. 2 Keohane Federal located 2310 feet from the South line and 1650 feet from the West line of Section 21.

GMH/esr

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

She

CASE No. 4248

Qrder No. R-3871-A

IN THE MATTER OF THE APPLICATION OF J. J. TRAVIS FOR A WATERFLOOD PROJECT, EDDY COUNTY, NEW MEXICO.

NUNC PRO TUNC ORDER

EY THE COMMISSION:

It appearing to the Commission that due to clerical error,
Order No. R-3871, dated November 10, 1969, does not correctly
state the intended order of the Commission,

IT IS THEREFORE ORDERED:

- (1) That the location of the J. J. Travis Keohane Federal Well No. 3, as set forth on Page 3 of Order (1) of Order No. R-3871, is hereby corrected to read as follows:
 - J. J. Travis Keohane Federal Well No. 3, located 330 feet from the South line and 1980 feet from the West line of Section 21

rather than:

J. J. Travis Keohane Federal Well No. 3, located 300 feet from the South line and 1980 feet from the West line of Section 21

in order to show the true location of said well.

(2) That the correction as set forth above shall be effective nunc pro tunc as of November 10, 1969.

DONE at Santa Fe, New Mexico, on this _____ day of November, 1969.

DRAFT

GMH/esr

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

(0)

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION OF NEW MEXICO FOR THE PURPOSE OF CONSIDERING: #

CASE No. 4248

Order No. R- 387/

API

APPLICATION OF J. J. TRAVIS

FOR A WATERFLOOD PROJECT, EDDY COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on November 5, 1969, at Santa Fe, New Mexico, before Examiner Elvis A. Utz

NOW, on this ______ day of __November_, 1969, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised

FINDS:

in the premises,

- (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, J. J. Travis

 seeks permission to institute a waterflood project in the his

 Shugart (Yates-Seven
 North Shugart Queen Unit Area, Rivers-Queen-Grayburg) Pool, by

 the injection of water into the Queen formation

 at orthodox and unorthodox locations
 through nine injection wells/in Sections 20 and 21

 Township 18 SHOPPIX South, Range 31 MRSSIX, East, NMPM,

 Eddy County, New Mexico.
- (3) That the applicant further seeks the establishment of an administrative procedure whereby the Secretary-Director of the Commission may authorize additional injection wells at orthodox and unorthodox locations within said waterflood project area as may be necessary to complete an efficient injection pattern without the necessity of showing well response.

(SEE UNDER)

the recovery of otherwise unrecoverable oil, thereby preventing waste.

(6) 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; provided however, that the showing of well response as required by Rule 701 E-5 shall not be necessary before obtaining administrative approval for the conversion of additional wells to water injection, and provided further, that said injection wells are drilled no closer than 330 feet to the outer boundary of the North Shugart Queen Unit nor closer than 10 feet to any quarter-

quarter section or subdivision inner boundary.

Commission Rules and Regulations;

(SEE UNDER)

by the injection of water into the Queen	formation
at orthodox and un	orthodox locations
through the following-described wells/in Township	18
NOPPEX South, Range 31 MESEX, East, NMPM,	Eddy
County, New Mexico:	√ system
Thugast Sedent Well No. 1 - 2310 FNL + 330 FEL	- Lestin 20 -
Chamber + Kennedy Well 70.7	
Charles + Kennely Half Federal Well 76.2-2310 FSL + 3	30FEL - Lection 20
A Little field Federal Well No. 1-AA - 990FSL + 6	نم
	OFWL-Lection 21
J. J. Fronis Kennow Februar Well No. 2 - 990 FNL +	
J. J. Zronin Kenward Federal MORE XO. 3 - 2310 FNL	
J. J. Foris Cohone Federal Wed X. 2 - 2310 FSL 4	
mark Personalia Co. Texaso Federal Well 70. 1 - 990 FSL +	
Kee love Federal Well No. 3 - 1980 France	1980 = WL
be governed by the provisions of Rules 701, 702, and	703 of the

PROVIDED HOWEVER, that the Secretary-Director of the Commission may approve such additional injection wells at orthodox and unorthodox locations within said waterflood project area as may be necessary to complete an efficient injection pattern; provided said wells are drilled no closer than provided said wells are drilled no closer than provided to the outer boundary of the North Shugart Queen Unit nor closer than feet to any quarter-quarter section or subdivision inner boundary, and provided further, that the application therefor has been filed in accordance with Rule 701 B of the Commission Rules and Regulations, and provided further, that a copy of the application has been sent to all offset operators, if any there be, and no such operator has objected within 15 days. The showing of well response as required by Rule 701 E-5 shall not be necessary before obtaining administrative approval for the conversion of additional wells to water injection.

CASE 4249: Appli. of TENNECO FOR AMENDMENT OF ORDER NO. R-3822 AND OFF-LEASE STORAGE.