

CASE 3436: Application of LEONARD  
LATCH for a gas injection project  
Eddy County, New Mexico.

Case Number

3436

Application  
Transcripts.

Small Exhibits

ETC.



IN REPLY REFER TO

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY

Drawer 1857  
Roswell, New Mexico 88201

October 12, 1966

Mr. Leonard Latch  
1317 Texas Avenue  
Lubbock, Texas 79401

Dear Mr. Latch:

Your letter of September 20, 1966, requests approval to inject unmarketable Queen gas into the Yates formation on that portion of oil and gas lease New Mexico 025527-A described as the NE $\frac{1}{4}$ SW $\frac{1}{4}$  and SW $\frac{1}{4}$ SE $\frac{1}{4}$  sec. 24, T. 17 S., R. 27 E., N.M.P.M., Eddy County, New Mexico.

You propose to produce Queen gas from well No. 22 located on lease New Mexico 025527-A in the NE $\frac{1}{4}$ SW $\frac{1}{4}$ , and inject such gas into well No. 11 located in the NE $\frac{1}{4}$ SW $\frac{1}{4}$ , and well No. 26 located in the SW $\frac{1}{4}$ SE $\frac{1}{4}$ , all in sec. 24. Your proposed injection project is hereby approved effective September 1, 1966, subject to the following:

1. Duplicate copies of a monthly progress report are to be submitted showing the volume of gas injected, the injection pressures of the injection wells, and production for the producing wells in the project area. N.M.O.C.C. form C-120 is acceptable for this purpose.
2. Approval must be obtained from this office to expand the project to include any other wells or leases.

Sincerely yours,

JOHN A. ANDERSON  
Regional Oil and Gas Supervisor

cc:  
NMOCC ✓  
Accounts  
Artesia (2)

AREA CODE 806  
PORTER 3-9359

SEP 6 1966

LEONARD LATCH

1317 TEXAS AVE.  
LUBBOCK, TEXAS 79401

September 3, 1966

AREA CODE 806  
NIGHT SWIFT 5-8213

Oil Conservation Commission  
Box 2088  
Santa Fe, New Mexico

*File*  
*3-136*  
Order No. R-2096  
Berry A Wells Nos  
11 & 26

Gentlemen:

We have completed our gas injection system which was approved on July 27, 1966 by the commission, and we started injecting the gas on September 1, 1966.

Yours very truly,

Leonard Latch

*Chester L. Anderson*  
Chester L. Anderson

CA/hs

cc; OCC Hobbs  
OCC Artesia  
Oil & Gas Supervisor  
Box 1857  
Roswell, New Mexico

State of New Mexico  
Oil Conservation Commission



STATE GEOLOGIST  
A. L. PORTER, JR.  
SECRETARY - DIRECTOR

July 27, 1966

Re: Case No. 3436  
Order No. R-3096  
Applicant:

**Leonard Latch**

Very truly yours,

A. L. Porter, Jr.  
A. L. PORTER, Jr.  
Secretary-Director

OTHER \_\_\_\_\_

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

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

CASE No. 3436  
Order No. R-3096

APPLICATION OF LEONARD LATCH FOR A  
GAS INJECTION PROJECT, EDDY COUNTY,  
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on July 19, 1966,  
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 27th day of July, 1966, 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, Leonard Latch, seeks authority to  
institute a gas injection project in the Empire Yates-Seven Rivers  
Pool by the injection of gas into the Yates formation through his  
Berry "A" Wells Nos. 11 and 26, located in Units 8 and 0, respec-  
tively, of Section 24, Township 17 South, Range 27 East, NMPM,  
Eddy County, New Mexico.
- (3) That the wells in the project area are in an advanced  
state of depletion.
- (4) That the applicant proposes to inject gas into the Yates  
formation in an effort to create sufficient reservoir energy to  
produce additional oil.
- (5) That the gas to be injected is of unsatisfactory quality.

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CASE No. 3436  
Order No. R-3096

(6) That the proposed gas injection project may result in the recovery of otherwise unrecoverable oil, thereby preventing waste.

(7) 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.

IT IS THEREFORE ORDERED:

(1) That the applicant, Leonard Latch, is hereby authorized to institute a gas injection project in the Empire Yates-Seven Rivers Pool by the injection of gas into the Yates formation through the following-described wells in Section 24, Township 17 South, Range 27 East, NMPM, Eddy County, New Mexico:

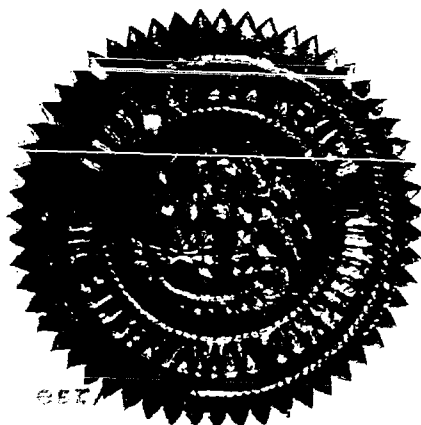
Berry "A" Well No. 11, located in Unit K  
Berry "A" Well No. 26, located in Unit O

(2) That the subject gas injection project is hereby designated the Latch No. 1 Gas Injection Project and shall be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

(3) That monthly progress reports of the gas injection project herein authorized shall be submitted to the Commission in accordance with Rules 704 and 1120 of the Commission Rules and Regulations.

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

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



STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

*Jack M. Campbell*  
JACK M. CAMPBELL, Chairman

*Guyton B. Love*  
GUYTON B. LOVE, Member

*A. L. Porter, Jr.*  
A. L. PORTER, JR., Member & Secretary

Case 3436

Heard 7-19-66

Rec. 7-19-66

Grant Leonard Fitch permission  
to inject Gas in 2 wells in Empire  
Gates Pool.

Wells # Berry Fed<sup>4</sup> 11 1650' / 5234' 24-12-27  
" # 26 330' / 5 2310' / E

Thos. W. R.



JULY 19, 1966 EXAMINER HEARING

CASE 3433: Application of Skelly Oil Company for an exception to Rule 104, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 104 C I of the Commission Rules and Regulations to permit the production of oil from two wells located less than 660 feet apart in the West Dollarhide-Drinkard Pool, Lea County, New Mexico. Applicant's Mexico "L" Well No. 18 located 1656 feet from the North line and 990 feet from the East line of Section 5, Township 25 South, Range 38 East, is presently completed in said pool, and applicant proposes to recomplete its Well No. 2, located 1980 feet from the North line and 660 feet from the East line of said Section 5 in said pool, with the assignment of a single 40-acre allowable to both wells.

CASE 3259 (Reopened):

In the matter of Case No. 3259 being reopened pursuant to the provisions of Order No. R-2929, which order established 160-acre spacing units for the Nonombre-Upper Pennsylvanian and Nonombre-Lower Pennsylvanian Pools, Lea County, New Mexico, for a period of one year. All interested parties may appear and show cause why said pools should not be developed on 40-acre or 80-acre spacing units.

CASE 3434: Application of Shell Oil Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the approval of the dual completion (conventional) of its South Wilson Deep Unit Well No. 2 located in Unit J of Section 33, Township 21 South, Range 34 East, Lea County, New Mexico, to produce oil from an undesignated Bone Springs Oil Pool and to produce gas from the Grama Ridge-Morrow Gas Pool through parallel strings of tubing.

CASE 3435: Application of Tidewater Oil Company for a capacity allowable, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the assignment of a capacity allowable to its CO State "J" Well No. 1 located in Unit H of Section 7, Township 17 South, Range 33 East, Maljamar Pool, Lea County, New Mexico. Said well offsets the waterflood project operated by Great Western Drilling Company on its Malmar Unit in said Section 7.

CASE 3436: Application of Leonard Latch for a gas injection project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a gas injection project in the Empire Yates-Seven Rivers Pool, Eddy County, New Mexico, by the injection of gas into the Yates formation through his Berry "A" Wells Nos. 11 and 26, located in Units K and O, respectively, of Section 24, Township 17 South, Range 27 East.

Docket No. 18-66

DOCKET: EXAMINER HEARING - TUESDAY - JULY 19, 1966

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 3428: Application of Continental Oil Company for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of its Eumont-Hardy Unit Area comprising 1,930 acres, more or less, of State, Federal and Fee lands in Township 20 South, Ranges 37 and 38 East, and Township 21 South, Ranges 36 and 37 East, Lea County, New Mexico.

CASE 3429: Application of Continental Oil Company for two waterflood projects, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the Yates, Seven Rivers, and Queen formations, Eumont Pool, through 28 wells in its Eumont Hardy Unit. Applicant further seeks the approval of an offsetting cooperative waterflood project to be conducted on its SEMU Eumont lease by the injection of water into two wells in Section 25, Township 20 South, Range 37 East, all in Lea County, New Mexico.

CASE 3430: Application of Tenneco Oil Company for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of its Hess Hills Unit Area comprising 16,801 acres, more or less, of State, Federal and Fee lands in Townships 23 and 24 South, Ranges 23 and 24 East, Eddy County, New Mexico.

CASE 3431: Application of Sinclair Oil & Gas Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the approval of the dual completion of its W. H. Turner Well No. 1 located in Unit L of Section 29, Township 21 South, Range 37 East, Lea County, New Mexico, to produce oil from the Drinkard Oil Pool through 2-inch tubing and to produce oil from the Blinebry Oil Pool through the casing-tubing annulus.

CASE 3432: Application of Gulf Oil Corporation for down-hole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to commingle in the well-bore marginal oil production from the Arrowhead Drinkard Pool and an undesignated Blinebry Pool in its Harry Leonard (NCT-C) Well No. 11 located in Unit K of Section 36, Township 21 South, Range 36 East, Lea County, New Mexico.

CASE 3252 (Reopened):

In the matter of Case No. 3252 being reopened pursuant to the provisions of Order No. R-2917, which order established 640-acre spacing units for the McMillan-Morrow Gas Pool, Eddy County, New Mexico, for a period of one year after first pipeline connection in the pool. All interested parties may appear and show cause why said pool should not be developed on 320-acre spacing units.

JULY 19, 1966 EXAMINER HEARING

CASE 3433: Application of Skelly Oil Company for an exception to Rule 104, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 104 C I of the Commission Rules and Regulations to permit the production of oil from two wells located less than 660 feet apart in the West Dollarhide-Drinkard Pool, Lea County, New Mexico. Applicant's Mexico "L" Well No. 18 located 1656 feet from the North line and 990 feet from the East line of Section 5, Township 25 South, Range 38 East, is presently completed in said pool, and applicant proposes to recomplete its Well No. 2, located 1980 feet from the North line and 660 feet from the East line of said Section 5 in said pool, with the assignment of a single 40-acre allowable to both wells.

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NEW MEXICO OIL CONSERVATION COMMISSION  
APPLICATION TO ~~DISPOSE OF SALINE WATER BY INJECTION~~  
INJECT GAS

OPERATOR <b>Leonard Latch</b>		ADDRESS <b>1317 Texas Ave. Lubbock, Texas</b>	
LEASE NAME <b>Ferry "A"</b>	WELL NO. <b>11</b>	FIELD <b>Empire</b>	COUNTY <b>Eddy</b>
LOCATION UNIT LETTER <b>K</b> ; WELL IS LOCATED <b>1650</b> FEET FROM THE <b>South</b> LINE AND <b>2310</b> FEET FROM THE <b>West</b> LINE, SECTION <b>24</b> TOWNSHIP <b>17</b> RANGE <b>27</b> NMPM.			

NAME OF STRING		SIZE	SETTING DEPTH	SACKS CEMENT	TOP OF CEMENT	TOP DETERMINED BY
SURFACE CASING						<b>RECEIVED</b>  <b>JUN 28 1966</b>  <b>O. C. C.</b> <b>ARTESIA, OFFICE</b>
INTERMEDIATE						
LONG STRING		7"	440	20 sacks		
TUBING		2"	463'	NAME, MODEL AND DEPTH OF TUBING PACKER		
NAME OF PROPOSED INJECTION FORMATION <b>Yates</b>				TOP OF FORMATION <b>350'</b>		BOTTOM OF FORMATION <b>not drilled through</b>
IS INJECTION THROUGH TUBING, CASING, OR ANNULUS? <b>Casing</b>			PERFORATIONS OR OPEN HOLE? <b>Open Hole</b>		PROPOSED INTERVAL(S) OF INJECTION <b>445-65'</b>	
IS THIS A NEW WELL DRILLED FOR DISPOSAL? <b>No.</b>		IF ANSWER IS NO, FOR WHAT PURPOSE WAS WELL ORIGINALLY DRILLED? <b>Oil</b>			HAS WELL EVER BEEN PERFORATED IN ANY ZONE OTHER THAN THE PROPOSED INJECTION ZONE? <b>No</b>	
LIST ALL SUCH PERFORATED INTERVALS AND SACKS OF CEMENT USED TO SEAL OFF OR SQUEEZE EACH <b>None</b>						
DEPTH OF BOTTOM OF DEEPEST FRESH WATER ZONE IN THIS AREA <b>None</b>			DEPTH OF BOTTOM OF NEXT HIGHER OIL OR GAS ZONE IN THIS AREA <b>None</b>		DEPTH OF TOP OF NEXT LOWER OIL OR GAS ZONE IN THIS AREA <b>Queen Gas 1200'</b>	
ANTICIPATED DAILY INJECTION VOLUME (BBL'S.) <b>100M</b>	MINIMUM <b>50M</b>	MAXIMUM <b>150M</b>	OPEN OR CLOSED TYPE SYSTEM <b>Closed</b>		IS INJECTION TO BE BY GRAVITY OR PRESSURE? <b>Pressure</b>	APPROX. PRESSURE (PSI) <b>100 lbs.</b>
ANSWER YES OR NO WHETHER THE FOLLOWING WATERS ARE MINERALIZED TO SUCH A DEGREE AS TO BE UNFIT FOR DOMESTIC, STOCK, IRRIGATION, OR OTHER GENERAL USE - <b>Yes</b>			WATER TO BE DISPOSED OF <b>NATURAL WATER IN DISPOSAL ZONE</b>		ARE WATER ANALYSES ATTACHED?	
NAME AND ADDRESS OF SURFACE OWNER (OR LESSEE, IF STATE OR FEDERAL LAND) <b>Federal Lease</b>						
LIST NAMES AND ADDRESSES OF ALL OPERATORS WITHIN ONE-HALF (1/2) MILE OF THIS INJECTION WELL						
<b>Nix &amp; Curtis Box 617 Artesia, New Mexico</b>						
<b>Lubbock Machine &amp; Supply Co. 400 N. Ave. E. Lubbock, Texas</b>						
<b>Baldwin-Reed Artesia, New Mexico</b>						
HAVE COPIES OF THIS APPLICATION BEEN SENT TO EACH OF THE FOLLOWING?		SURFACE OWNER		EACH OPERATOR WITHIN ONE-HALF MILE OF THIS WELL		THE NEW MEXICO STATE ENGINEER
		<b>Yes</b>		<b>Yes</b>		<b>Yes</b>
ARE THE FOLLOWING ITEMS ATTACHED TO THIS APPLICATION (SEE RULE 701-B)		PLAT OF AREA		ELECTRICAL LOG		DIAGRAMMATIC SKETCH OF WELL
		<b>Yes</b>		<b>None Run</b>		<b>Yes</b>

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

Leonard Latch  
(Signature)

Owner  
(Title)

**DOCKET MAILED**

27,  
June 3, 1966  
(Date)

NOTE: Should waivers from the State Engineer, the surface owner, and all operators within one-half mile of the proposed injection well, not accompany this application, the New Mexico Oil Conservation Commission will hold the application for a period of 15 days from the date of receipt by the Commission's Santa Fe office. If at the end of the 15-day waiting period no protest has been received by the Santa Fe office, the application will be processed. If a protest is received, the application will be set for hearing, if the applicant so requests. SEE RULE 701.

Barry, Feb 10 11

Barry, Feb 10 11

Barry, Feb 10 11

100 to 350  
Barry, Feb 10 11

Barry, Feb 10 11

Barry, Feb 10 11

Barry, Feb 10 11

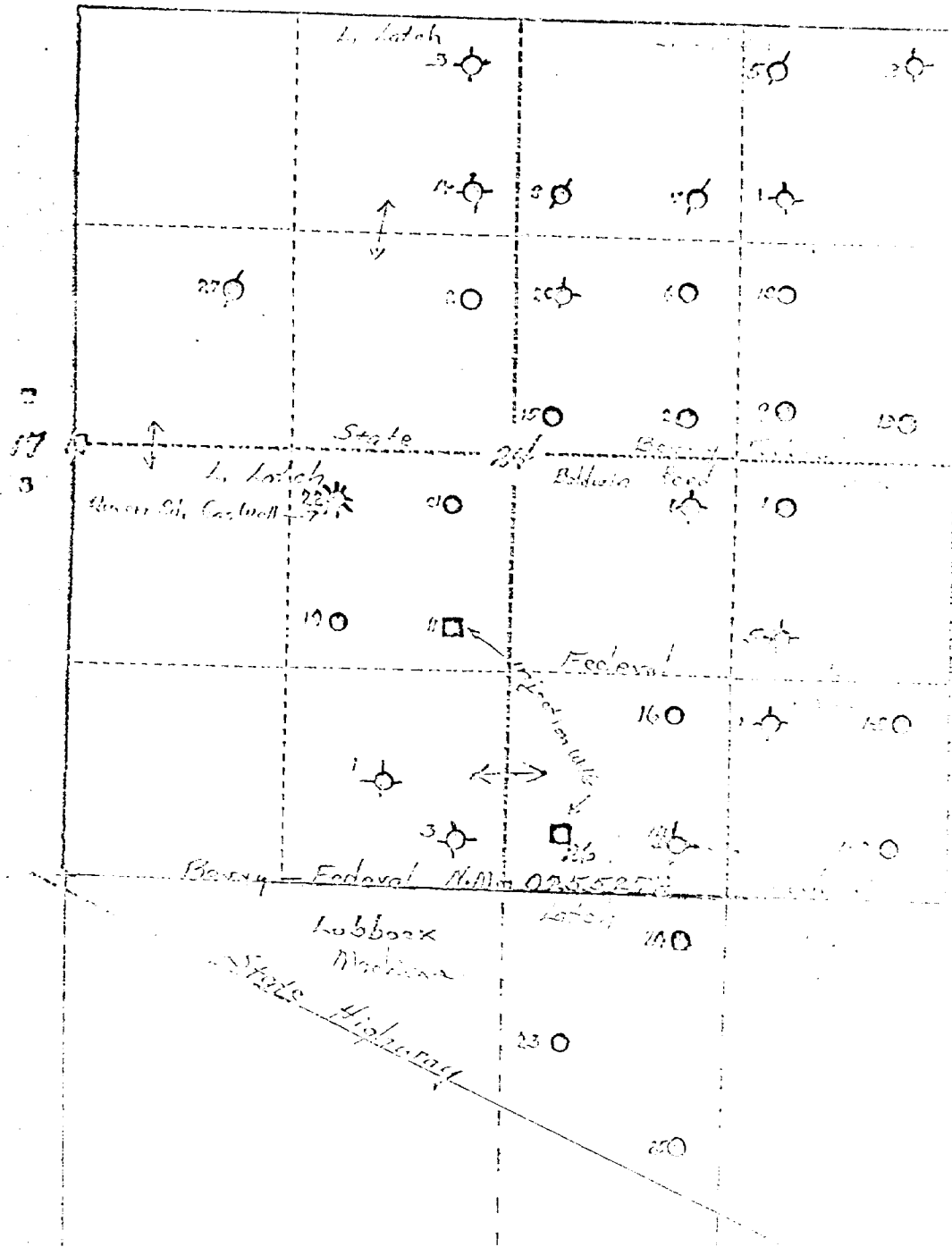
Barry, Feb 10 11

Barry, Feb 10 11

Barry, Feb 10 11

Barry, Feb 10 11

R 27 E



Gas Well

Gas Injection Well

Page 3436

NEW MEXICO OIL CONSERVATION COMMISSION

APPLICATION TO ~~DISPOSE OF SALINE WATER BY INJECTION~~ INTO A POROUS FORMATION  
INJECT GAS

OPERATOR <b>Leonard Latch</b>		ADDRESS <b>1317 Texas Avenue Lubbock, Texas 79401</b>	
LEASE NAME <b>Berry man</b>	WELL NO. <b>26</b>	FIELD <b>Empire</b>	COUNTY <b>Eddy</b>
LOCATION UNIT LETTER <b>X</b> <b>0</b> ; WELL IS LOCATED <b>330</b> FEET FROM THE <b>South</b> LINE AND <b>2310</b> FEET FROM THE <b>East</b> LINE, SECTION <b>24</b> TOWNSHIP <b>17</b> RANGE <b>27</b> NMPM.			

CASING AND TUBING DATA

NAME OF STRING	SIZE	SETTING DEPTH	SACKS CEMENT	TOP OF CEMENT	TOP DETERMINED BY
SURFACE CASING					<b>RECEIVED</b>
INTERMEDIATE					<b>JUN 28 1966</b>
LONG STRING	<b>5 1/2"</b>	<b>454'</b>	<b>75</b>		<b>O. C. C.</b>
TUBING	<b>2"</b>	<b>470</b>	NAME, MODEL AND DEPTH OF TUBING PACKER <b>ARTESIA, OFFICE</b>		
NAME OF PROPOSED INJECTION FORMATION <b>Yates</b>			TOP OF FORMATION <b>350'</b>		BOTTOM OF FORMATION <b>Did not drill through</b>
IS INJECTION THROUGH TUBING, CASING, OR ANNULUS? <b>Casing</b>		PERFORATIONS OR OPEN HOLE? <b>Open Hole</b>	PROPOSED INTERVAL(S) OF INJECTION <b>456 to 471'</b>		
IS THIS A NEW WELL DRILLED FOR DISPOSAL? <b>No</b>		IF ANSWER IS NO, FOR WHAT PURPOSE WAS WELL ORIGINALLY DRILLED? <b>Oil</b>		HAS WELL EVER BEEN PERFORATED IN ANY ZONE OTHER THAN THE PROPOSED INJECTION ZONE? <b>No</b>	
LIST ALL SUCH PERFORATED INTERVALS AND SACKS OF CEMENT USED TO SEAL OFF OR SQUEEZE EACH <b>None</b>					
DEPTH OF BOTTOM OF DEEPEST FRESH WATER ZONE IN THIS AREA <b>None</b>		DEPTH OF BOTTOM OF NEXT HIGHER OIL OR GAS ZONE IN THIS AREA <b>None</b>		DEPTH OF TOP OF NEXT LOWER OIL OR GAS ZONE IN THIS AREA <b>Queen 1200'</b>	
ANTICIPATED DAILY INJECTION VOLUME (BBLS.) <b>100M</b>	MINIMUM <b>50M</b>	MAXIMUM <b>150M</b>	OPEN OR CLOSED TYPE SYSTEM <b>Closed</b>	IS INJECTION TO BE BY GRAVITY OR PRESSURE? <b>Pressure</b>	APPROX. PRESSURE (PSI) <b>100</b>
ANSWER YES OR NO WHETHER THE FOLLOWING WATERS ARE MINERALIZED TO SUCH A DEGREE AS TO BE UNFIT FOR DOMESTIC, STOCK, IRRIGATION, OR OTHER GENERAL USE - <b>Yes</b>			WATER TO BE DISPOSED OF <b>NATURAL WATER IN DISPOSAL ZONE</b>		
NAME AND ADDRESS OF SURFACE OWNER (OR LESSEE, IF STATE OR FEDERAL LAND) <b>Federal land</b>					
LIST NAMES AND ADDRESSES OF ALL OPERATORS WITHIN ONE-HALF (1/2) MILE OF THIS INJECTION WELL					
<b>Nix &amp; Curtis Box 617 Artesia, New Mexico</b>					
<b>Lubbock Machine &amp; Supply Co. 400 N. Ave. E. Lubbock, Texas</b>					
<b>Baldwin-Read Artesia, New Mexico</b>					
HAVE COPIES OF THIS APPLICATION BEEN SENT TO EACH OF THE FOLLOWING? <b>1</b>		SURFACE OWNER <b>Yes</b>		EACH OPERATOR WITHIN ONE-HALF MILE OF THIS WELL <b>Yes</b>	
ARE THE FOLLOWING ITEMS ATTACHED TO THIS APPLICATION (SEE RULE 701-B) <b>1</b>		PLAT OF AREA <b>Yes</b>		ELECTRICAL LOG <b>None Run</b>	
				THE NEW MEXICO STATE ENGINEER <b>Yes</b>	
				DIAGRAMMATIC SKETCH OF WELL <b>Yes</b>	

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

**Leonard Latch** Owner **June 27, 1966**  
(Signature) (Title) (Date)

NOTE: Should waivers from the State Engineer, the surface owner, and all operators within one-half mile of the proposed injection well not accompany this application, the New Mexico Oil Conservation Commission will hold the application for a period of 15 days from the date of receipt by the Commission's Santa Fe office. If at the end of the 15-day waiting period no protest has been received by the Santa Fe office, the application will be processed. If a protest is received, the application will be set for hearing, if the applicant so requests. SEE RULE 701.



dearnley-meier reporting service, inc.

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

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



PAGE 1

BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
July 19, 1966

EXAMINER      HEARING

IN THE MATTER OF: Application of Leonard  
Latch for a gas injection project, Eddy  
County, New Mexico.

Case No. 3436

BEFORE: ELVIS A. UTZ, Examiner

TRANSCRIPT OF HEARING

MR. UTZ: Case 3436.

MR. HATCH: Application of Leonard Latch for a gas injection project, Eddy County, New Mexico.

MR. UTZ: Will you stand and be sworn, please?

(Witness sworn.)

(Whereupon, Exhibits 1, 2, & 3 marked for identification.)

LEONARD LATCH, a witness herein, having been first duly sworn, was examined and testified as follows:

MR. HATCH: Mr. Examiner, I have never been before the Commission before. I am representing myself. I'm a graduate geologist from Texas Tech, I worked for an oil company for ten years after graduating. I was some five years in the consulting business and have been an independent producer now for about nine or ten years. That briefly is my qualifications.

MR. UTZ: Well, I am sure you are qualified to testify in your own behalf.

MR. LATCH: I would like to make a few brief statements here before I pass out these exhibits in regard to this Yates production at just under 500 feet in depth. The older wells in this area have been producing since sometime in the 30's, it is a solution gas drive reservoir, the bottom hole pressure has long since been depleted.

I thought at the time that I came in there, that possibly I could take frack and prop it open and create some

drainage and do better. I learned that's another mistake I made. It didn't work out that well, regardless of what you do.

My overall average is hardly a barrel of oil per well per day and I have 25 wells in this area. I will now pass out some of these exhibits. Exhibit 1 here shows the area blacked in as the lease I have. This, incidentally, is a Federal lease.

Exhibit 2 shows in detail where I planned the two wells I had picked out to inject gas, and also the source well. Now, this well, this gas well is in the Queen sand and it is producing at approximately 1250 feet, the source well, or the gas well.

The shallow production there is in the Yates Sand at approximately 500 feet. Here, incidentally, is the exhibits on the two wells that I plan to inject water into. I said water, I meant gas. I beg your pardon.

Now, this Queen sand well was originally completed as a Grayburg Well back in the early 50's. It never was much of a well and it got down to where it was not profitable to produce, so, last Fall I recompleted it in the Queen sand.

I have made an attempt to sell this gas in the Queen sand. The potential in the Queen sand, incidentally, is 425,000 cubic feet a day. There are two plants in the area, one of them is owned by Phillips and one by Pan American, but like

so much of this Queen sand gas, it has a very high nitrogen content and as far as liquids are concerned, gasoline and propanes and the like, it's practically nil.

So, they were not interested in the gas and I could not sell the gas. I tried at both areas and I do have letters of rejections from both plants. The Pan American Plant is about five miles to the southwest, and the Phillips Plant, I believe, is about five miles to the southeast of this area in question.

Inasmuch as I could not sell this gas, I then decided on this flood, or this gas drive for this reason; the wells are down to a point where they are not economic to produce, but these shallow wells have produced some 300,000 barrels of oil, and I thought if the Commission gives me permission to try this flood in this small area, if it should work, then I would want to expand the gas drive flood, and this gas is not doing me any good, otherwise, inasmuch as I can't sell it. That's why I am here asking you for permission to inject this gas in the 500 foot Yates sand zone, hoping that I can make it, hoping that -- It has already produced some 300,000 of primary oil on the leases I have marked off, and I am hoping that I can recover that much secondary oil.

If this will not be approved, it is just to plug out the shallow wells because they are not profitable to

produce. That covers the ground as far as I am concerned.

CROSS EXAMINATION

BY MR. UTZ:

Q You have non-commercial gas that you are going to use in the first place, is that correct?

A That is correct.

Q And economically, as far as waste gas is concerned, it would be of no consideration?

A That is correct, Mr. Utz.

Q The next thing that we would have to look at is what the casing program of these two wells that you intend to use for injection wells is; do you intend to inject down the casing?

A That was my intentions. On the casing on the Well Number 26, I drilled that well myself. It has good pipe in the hole and plenty of cement around it. There's no worries there.

Actually, on Number 11, if it should give any trouble -- I don't anticipate any because I am not going to be dealing with great pressures; the top pressure on my gas well is only 400 pounds, and if it should give any trouble, I will run a packer in the hole, if it should find a hole in the seven inch pipe, I will. I don't anticipate any trouble.

Q How far up the hole did the 75 sacks come up on



your five and a half inch?

A A temperature survey was not run. According to Halliburton, it should have come within 150 feet of the top according to the book. The other well, I knew it was a cable tool hole, I did not drill it. It has been there since the 30's.

Q When you drilled your Number 26 Well, did you have any surface waters?

A Yes. They are so indicated there on the log. They were brackish, however.

Q Well, that's what I mean. From 150 to 350 were brackish waters?

A Yes. In fact, they set an intermediate string which they pulled. They let us do it after we ran the five and a half inch, and before we cemented.

Q Were they brackish enough to be nonpotable?

A That is correct.

Q Was there any water above 150 feet?

A No, none shown. I drilled about four or five wells in that area on that acreage involved there and to the north and east, too, and I found the same condition existed over all of them.

Q Do you have any idea how old the casing is in the Number 11 Well?



A Number 11 Well, I don't have the completion file with me. I think it was drilled in about '35.

Q Have you done any work on the well at all?

A Number 11?

Q Yes.

A Nothing, only pumping, makes about three-quarters of a barrel a day of oil. Maybe a fourth of a barrel of water a day. I doubt if it's that much.

MR. UTZ: Any more questions?

CROSS EXAMINATION

BY MR. PORTER:

Q Have you looked at the well file, Commission record on Well Number 11 to see whether it's indicated in that file how much cement was used or anything?

A I've looked at the USGS files, they're more complete. It's on that log, I believe it was 20 sacks.

Q I believe so.

A USGS, that's on Federal leases and they watch that rather close.

Q That's right, and the Commission records on Federal leases are very incomplete when you go back that far.

A I've got whatever information I have from the USGS file.

Q Here it's indicated in the style of the case that



this is Empire Yates-Seven Rivers Pool. Are you just planning to inject into the Yates --

A That's right.

Q -- part of it?

A And use gas from the Queen.

Q Now, what is the depth of the Seven Rivers pay here, is it immediately below the Yates?

A The Seven Rivers?

Q Yes. The reason I ask that question, there is a Red Legs Pool that underlies this.

A Yes. The Seven Rivers, I believe, is between the Yates and the Queen.

Q And the Red Legs is a Queen Pool, is that right?

A That's right, it's Queen gas.

Q And this Empire is designated as Yates-Seven Rivers?

A Well, the reason for that multi-designation, I suppose, is because it produces from all those zones in different spots in it.

Q And this produces anywhere from 350 to 500 feet?

A That's correct, depending on the location. You are coming up as you go west, it's a stratigraphic trap.

Q As I recall, the Red Legs Pool was around, oh, anywhere from 12 to 1700?

A Yes, but you are further east.



Q Yes.

A You get a little ways west of Artesia, you are walking on this stuff that I am producing from.

Q It outcrops?

A Yes. In fact, you will be walking on the San Andres 20 miles west of Artesia.

MR. PORTER: I don't have any more questions.

MR. UTZ: The witness may be excused. Any statements?

MR. HATCH: Were these Exhibits prepared by you or under your supervision?

A I prepared them.

MR. HATCH: Would you like to have them moved into evidence now?

A Yes, I would.

MR. UTZ: They will be accepted as evidence in the record.

(Whereupon, Applicant's Exhibits 1, 2, and 3 offered and admitted in evidence.)

MR. PORTER: Did you designate those Exhibits as 1, 2, 3, and 4?

A I believe I counted those Exhibits of the wells as 3.

MR. UTZ: We'll mark them 3-1 and 3-2.

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PAGE 10

(Whereupon, Exhibits marked  
3-1 and 3-2.)

MR. UTZ: The case will be taken under advisement  
and the Hearing is adjourned.

(Whereupon, the Hearing was  
adjourned.)



I N D E X

WITNESS	PAGE
LEONARD LATCH	
Cross Examination by Mr. Utz	5
Cross Examination by Mr. Porter	7

E X H I B I T S

EXHIBIT	MARKED FOR IDENTIFICATION	OFFERED	ADMITTED
App. Ex. 3-1	10	9	9
App. Ex 3-2	10	9	9

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I, ADA DEARNLEY, Notary Public 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.

Witness my Hand and Seal this 27th day of July, 1966.

Joe Leavelle  
NOTARY PUBLIC

My Commission Expires:

June 19, 1968.

I do hereby certify that the foregoing is a complete record of the proceedings in the Exclusion hearing of Case No. 3436, heard by me on July 19, 1966.

*Charles C. [Signature]*, Examiner  
New Mexico Oil Conservation Commission

[illegible]

25 Borehole  
Detail Loss Plot Gas Injection Area

Gas Injection Well

0000.3430  
122

3000 feet

Exhibit 3 - 1

2000 3036

150 to 350

feet

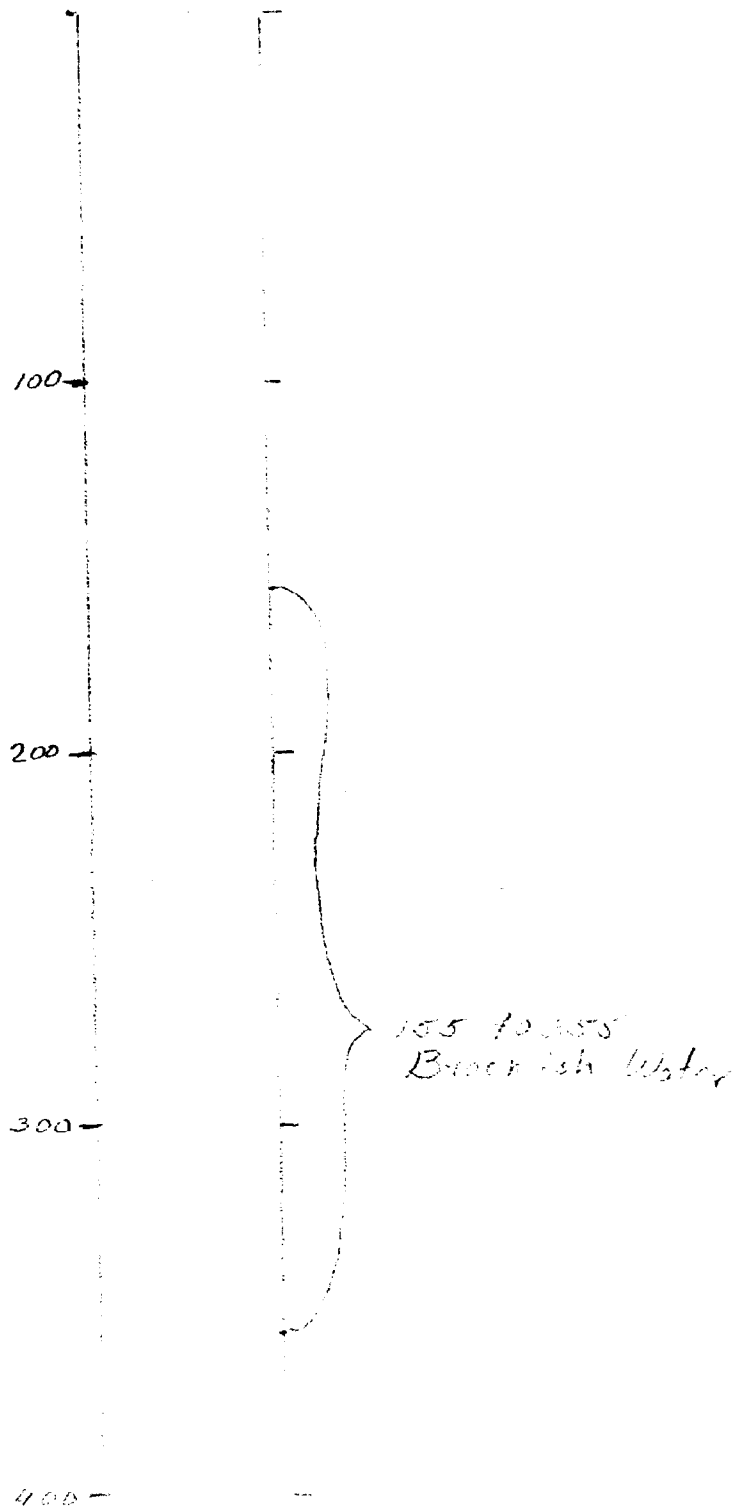
The upper part

is very sandy

and is very

fine

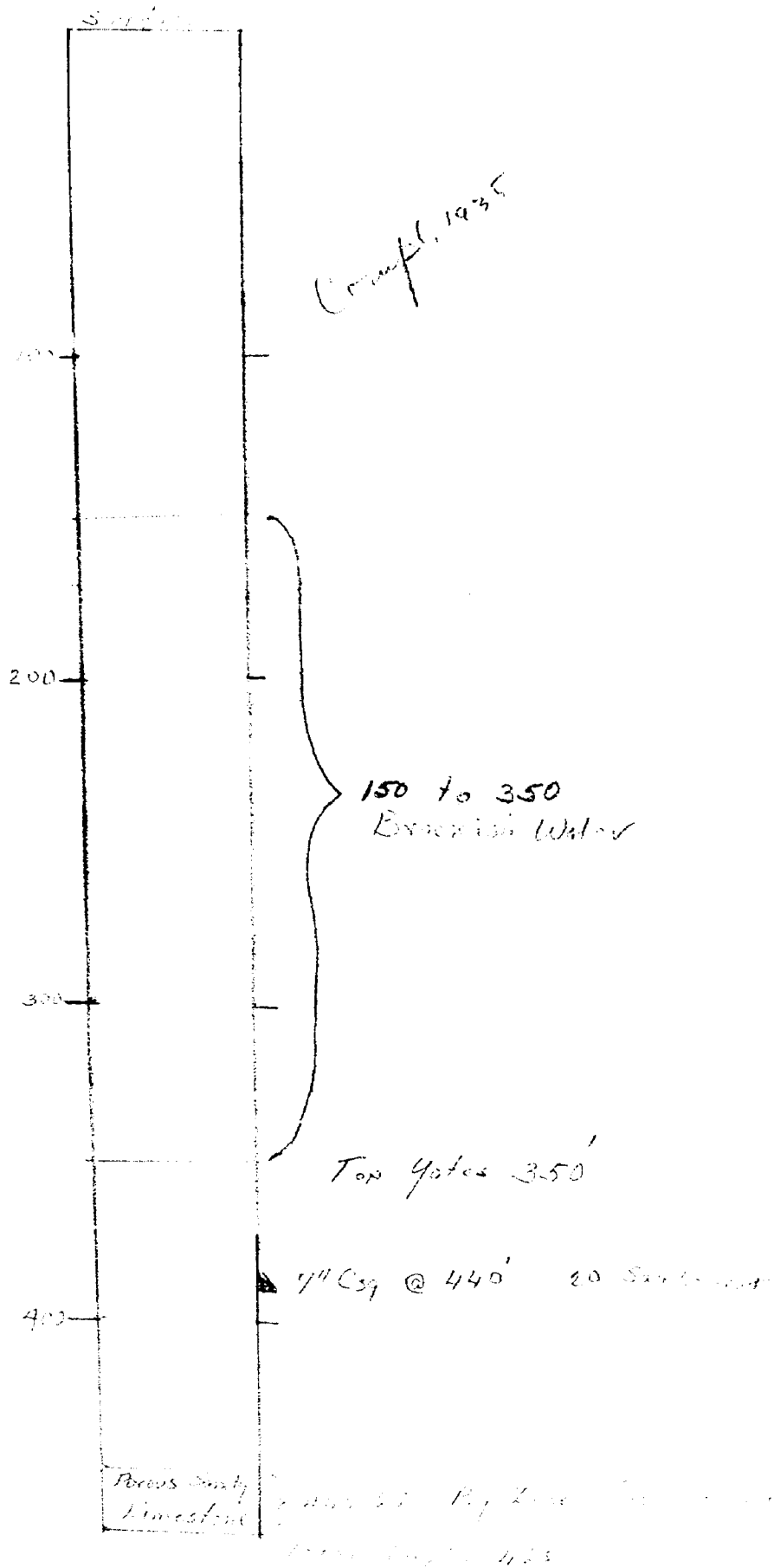
L, Latok  
 Berry Red 10 12  
 230' to 2310' E. Sec. 24 - 10 29  
 Scale 1" = 100'



500 —  
 1 5 1/2 E 45 N 75 fms.  
 By hand } By hand } By hand } By hand } By hand }  
 Total Depth 491

E. 1/2 Sec. 24  
 Cont.  
 1/2 Sec. 24

L. Latch  
 Berry Fed Wall #11  
 1650' S. 50° W. 100' E. 100' N.  
 Scale 2 = 100'



3-2  
 3-6