

Western Development Company of Delaware

BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
EXHIBIT NO. <u>4</u>
CASE NO. <u>1797</u>

Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Attention: Mr. A. L. Porter, Jr.

SENA PLAZA, SANTA FE, NEW MEXICO

TELEPHONE 3-5568

P. O. Box 427

Artesia, New Mexico

October 26, 1959

Re: Case No. 1797

Application of Graridge Corporation
for Dual Injection - Producing well

Gentlemen:

The above captioned case is to be heard on October 28, 1959, in Santa Fe, New Mexico. This Company and Yates Brothers of Artesia, New Mexico, are the owners and operators of the well in question. At the present time we are pumping this well at the rate of 2 BOPD from the Lovington Sand zone of the San Andres formation in the Artesia Pool. This well is at present on the south side of a water flood project being conducted by the Graridge Corporation. Our predecessors, Resler Oil Company and Yates Brothers farmed out the rights to the "old field pay zone" currently being flooded by Graridge.

In order to prevent waste it is imperative that this application be approved. As will be explained in the testimony in the case, it is necessary that some remedial work be done on the well insofar as the "old field pay zone" is concerned. This work is necessary in order that the flood in this area will be successful. While the Lovington Sand zone is certainly not an important oil reserve, it obviously will have to be abandoned if the application is not approved, and as a result, any remaining recoverable reserve would be lost.

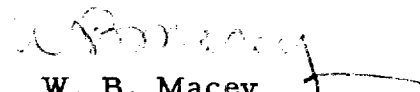
The danger of any water leakage by way of packer failure and resultant damage to the Lovington Sand reservoir is virtually nil since a leak would be immediately recognizable by (1) decreased injection pressure and (2) the appearance of water in the producing column of the Lovington Sand interval. It is extremely doubtful that water could hurt the Lovington Sand reservoir since we have had considerable success in the area using fresh water as a fluid in fracturing sand wells.

October 26, 1959

This Company and Yates Brothers have indicated verbal approval of an Operating Agreement with Graridge for the joint operation of this well. The Commission's approval of this application will result in a greater recovery of oil from both the "old field pay zone" and the Lovington Sand zone without any danger of waste or impairment of correlative rights.

Yours very truly,

WESTERN DEVELOPMENT COMPANY
of Delaware


W. B. Macey
Vice President

WBM:fb

NEW MEXICO OIL CONSERVATION COMMISSION

SANTA FE, NEW MEXICO

7-3-58

APPLICATION FOR DUAL COMPLETION

Field Name <div style="text-align: center;">Artesia</div>		County <div style="text-align: center;">Eddy</div>		Date <div style="text-align: center;">October 15, 1959</div>
Operator <div style="text-align: center;">Graridge Corporation</div>		Lease <div style="text-align: center;">Resler Yates State</div>		Well No. <div style="text-align: center;">14</div>
Location of Well	Unit <div style="text-align: center;">G</div>	Section <div style="text-align: center;">28</div>	Township <div style="text-align: center;">18S</div>	Range <div style="text-align: center;">28E</div>

1. Has the New Mexico Oil Conservation Commission heretofore authorized the dual completion of a well in these same pools or in the same zones within one mile of the subject well? YES _____ NO X
2. If answer is yes, identify one such instance: Order No. _____ ; Operator, Lease, and Well No.:

3. The following facts are submitted:	Upper Zone	Lower Zone
a. Name of reservoir	1st Grayburg	Lovington
b. Top and Bottom of Pay Section (Perforations)	<i>2012</i> → 2042-2070 2052 The above interval	2445-2480 The above interval
c. Type of production (Oil or Gas)	Water to be injected	Oil
d. Method of Production (Flowing or Artificial Lift)	Into	Artificial Lift

4. The following are attached. (Please mark YES or NO)

- Yes a. Diagrammatic Sketch of the Dual Completion, showing all casing strings, including size and setting, top of cement, perforated intervals, tubing strings, including diameters and setting depth, location and type of packers and side door chokes, and such other information as may be pertinent.
- Yes b. Plat showing the location of all wells on applicant's lease, all offset wells on offset leases, and the names and addresses of operators of all leases offsetting applicant's lease.
- Yes c. Waivers consenting to such dual completion from each offset operator, or in lieu thereof, evidence that said offset operators have been furnished copies of the application.*
- Yes d. Electrical log of the well or other acceptable log with tops and bottoms of producing zones and intervals of perforation indicated thereon. (If such log is not available at the time application is filed, it shall be submitted as provided by Rule 112-A.)

5. List all offset operators to the lease on which this well is located together with their correct mailing address.

Kersey & Company, Box 305, Artesia, New Mexico

6. Were all operators listed in Item 5 above notified and furnished a copy of this application? YES X NO ____ . If answer is yes, give date of such notification October 15, 1959 .

CERTIFICATE: I, the undersigned, state that I am the _____ Engineer _____ of the Graridge Corporation _____ (company), and that I am authorized by said company to make this report; and that this report was prepared under my supervision and direction and that the facts stated therein are true, correct and complete to the best of my knowledge.

A. H. Lindley, Jr.
Signature S.H. Lindley, Jr.

- * Should waivers from all offset operators not accompany an application for administrative approval, the New Mexico Oil Conservation Commission will hold the application for a period of twenty (20) days from date of receipt by the Commission's Santa Fe office. If, after said twenty-day period, no protest nor request for hearing is received by the Santa Fe office, the application will then be processed.
- NOTE:** If the proposed dual completion will result in an unorthodox well location and/or a non-standard proration unit in either or both of the producing zones, then separate application for approval of the same should be filed simultaneously with this application.