

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

November 4, 1968

C
Mr. Harold Kersey
Kersey & Company
Post Office Box 316
Artesia, New Mexico

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Dear Sir:

Reference is made to Commission Order No. R-3546, recently entered in Case No. 3887, approving the Kersey Artesia Dunn Waterflood Project.

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Injection is to be through the two authorized water injection wells, each of which shall be equipped with tubing set in a packer within 100 feet of the uppermost injection perforations. If completed as single completion injection wells, the casing-tubing annulus shall be loaded with an inhibited fluid and equipped with a pressure gauge to facilitate detection of leakage in the casing, tubing, or packer. In the event production is encountered in the Upper Grayburg formation, this section may be produced through a second string of tubing and the inhibited fluid and pressure gauge eliminated.

As to allowable, our calculations indicate that when all of the authorized 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 168 barrels per day when the Southeast New Mexico normal unit allowable is 42 barrels per day or less.

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.

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**Mr. Harold Kersey
Kersey & Company
Post Office Box 316
Artesia, New Mexico**

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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

ALP/DSN/lr

cc: Oil Conservation Commission Offices in Hobbs and Artesia, N.M.

U. S. Geological Survey, Artesia, New Mexico

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

State of New Mexico
Oil Conservation Commission



October 31, 1968

Re: Case No. 3887
Order No. R-3546
Applicant:

Kersey & Company

A. L. PORTER, Jr.
Secretary-Director

Other _____



IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

P. O. Drawer U
Artesia, New Mexico 88210

September 19, 1968

Kersey and Company
Post Office Box 316
Artesia, New Mexico 88210

File 3887

Gentlemen:

Your letter of September 10, 1968 requests approval to operate a waterflood of the Grayburg formation on that portion of oil and gas lease Las Cruces 028772(b) described as follows:

T. 18 S., R. 28 E., N.M.P.M., Eddy County, New Mexico
sec. 12: S $\frac{1}{2}$ NW $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$

You propose to drill and complete as water injection wells No. 3 Dunn, located 1980/S&W; and No. 4 Dunn, located 1980/N and 660/W of section 12, extending the 80-acre five-spot flood pattern of the projects to the east, south, and west, and operating in conjunction with them.

The plan for operating the above described waterflood project as proposed in the application is satisfactory to this office, and hereby approved subject to like approval by the New Mexico Oil Conservation Commission and the following:

1. This project will be operated in compliance with the New Mexico Oil Conservation Commission regulations governing waterflood operations.
2. Duplicate copies of a monthly progress report (N.M.O.C.C. form C-120 are acceptable) are to be submitted to this office showing the volume of water injected and average pressures for the injection wells, and production for the producing wells in the project area.
3. This approval does not preclude the necessity for further approval if the project is expanded to include other wells and leases or the necessity to submit the usual notices and reports on wells involved.

Sincerely yours,

(Official Signature)

James A. Knauf
District Engineer

cc: N.M.O.C.C. , Santa Fe ✓

5-11-68

Case 3887

KERSEY & COMPANY
DRILLING AND OIL PRODUCTION
Phone SH 6-3671 • P. O. Box 316 • 808 W. Grand
ARTESIA, NEW MEXICO 88210
September 10, 1968

Re: Dunn Lease - Request for approval to
flood and complete dually two new wells
if production is obtained in Sec. 12-18-28
Eddy County, New Mexico.

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

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

Dear Sir:

It is respectfully requested that Kersey & Company be given administrative approval to use for water injection and oil production Dunn No. 3-B and Dunn No. 4-B wells which are to be drilled as located on the attached base map.

In order to more effectively sweep the oil from the formation (Premier) and protect correlative rights, Kersey & Company has agreed with Depco, Inc. to perform the work for lease line cooperation.

Attachments to this application include a base map (Exhibit A), diagramatic sketch of the two wells (Exhibit B), and pertinent data sheet (Exhibit C).

Recently, order No. R2869 and No. R2869A granted water-flooding operation to Depco, Inc. in Sections 10-11-12, T18S, R28E, in this same area. Also Orders No. WFX223 and WFX294 were granted Yates Petroleum Corporation for water flooding in this same area.

If the upper Grayburg zones should prove productive these will be treated and each well completed dually with injection into the Premier under the packer, and producing above the packer as per the attached sketches of completion proposed.

Copies of this application and attachments will be sent to all offset operators as listed below and also to the U.S.G.S. office.

Kersey & Company upon approval of the application will proceed with the drilling and completing of the wells for water injection and will also immediately notify the Commission of injection operations and abide by the rules and regulations as set out in the Order, and will also file and maintain accurate records as required by New Mexico Oil Commission.

Yours very truly,

KERSEY & COMPANY

Harold Kersey

Harold Kersey

DOCKET MAILED

10-11-68
Date

DOCKET MAILED

9-26-68
Date

CC: Depco, Inc.
Yates Petroleum Corp.