

CHAIRMAN

State of New Mexico
Oil Conservation Commission



LAND COMMISSIONER
GUYTON B. HAYS
MEMBER

P. O. BOX 2088
SANTA FE

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

November 5, 1968

Mr. Harold Kersey
Kersey & Company
Post Office Box 316
Artesia, New Mexico 88210

Dear Sir:

Reference is made to Commission Order No. R-3547, recently entered in Case No. 3897, approving the Kersey Wittkopp Shugart Waterflood Project and the Hanson-Shugart Waterflood Project.

Injection is to be through the one water injection well authorized for each project, both of which shall be equipped with cement-lined tubing set in packers at approximately 3100 feet. The casing-tubing annulus in each well is to be loaded with inhibited fluid and equipped with a gauge to facilitate detection of leakage in the casing, tubing, or packer.

As to allowable, our calculations indicate that when both of the authorized injection wells have been placed on active injection, the maximum allowable which each project will be eligible to receive under the provisions of Rule 701-E-3 is 84 barrels per day when the Southeast New Mexico normal unit allowable is 42 barrels per day or less. This is assuming of course that the two leases comprising the Hanson Shugart Project have been consolidated in accordance with the provisions of Order (2) of Order No. R-3547.

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

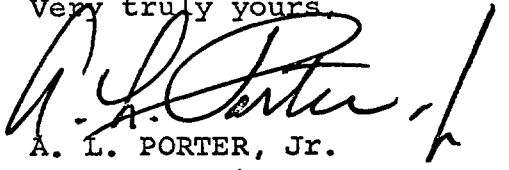
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in the status of wells in the project area, i.e., when active injection commences, when additional injection or producing wells are drilled, when additional wells are acquired through purchase or unitization, when wells have received a response to 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/ir

cc: Oil Conservation Commission
Hobbs and Artesia, New Mexico

U. S. Geological Survey
Artesia, New Mexico

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

State of New Mexico
Oil Conservation Commission



P. O. BOX 2088
SANTA FE

Other _____



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

P. O. Drawer U
Artesia, New Mexico 88210

September 8, 1969

IN REPLY REFER TO:

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

Chm 2877

Gentlemen:

Your letter of September 3, 1969 requests approval for Kersey-Wittkopp to operate a waterflood of the Queen formation on that portion of oil and gas lease New Mexico 016789 described as follows:

T. 19 S., R. 31 E., N.M.P.M., Eddy County, New Mexico
sec. 6 : NW $\frac{1}{4}$ SE $\frac{1}{4}$

You propose to convert to a water injection well the No. 2 Taxaco located in the NW $\frac{1}{4}$ SE $\frac{1}{4}$ sec. 6 above.

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 acceptable) are to be submitted to this office showing the volume of water injected and average pressure 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 when 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,

(Orig, Sgd.) JAMES A. KNAUF

James A. Knauf
District Engineer

cc: N.M.O.C.C., Santa Fe ✓
Roswell File - Accounts