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BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
April 23, 1969
EXAMINER HEARING

IN THE MATTER OF:

Application of Kersey and
Company for a waterflood
project, Eddy County, New
Mexico

Case No. 4096

BEFORE: Elvis A. Utz, Examiner.

TRANSCRIPT OF HEARING

MR. UTZ: Case No. 4096.

MR. HATCH: Application of Kersey and Company for a waterflood project, Eddy County, New Mexico. If the Examiner, please, I believe this is the application of R. D. Collier, and I think that Mr. Collier wants to amend the application at this time.

(Witness sworn)

MR. HATCH: Are you Mr. R. D. Collier?

MR. COLLIER: Yes, sir.

MR. HATCH: Are you the owner of the property described here?

MR. COLLIER: That's right.

R. D. COLLIER

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

DIRECT EXAMINATION

BY MR. UTZ:

Q Actually, this is the application by Harold Kersey.

A For me.

Q For R. D. Collier; and the letter states that Harold Kersey is a partner; is that correct?

A No; he doesn't have any interest. He

just did the engineering for me.

MR. HATCH: Mr. Collier, do you have some exhibits that you want to introduce?

MR. COLLIER: Yes.

(Whereupon, Applicant's Exhibits A, B, C and D were marked for identification.)

MR. UTZ: YOU MAY PROCEED.

MR. COLLIER: I've been in Artesia since '39, in the supply and drilling business -- attended Texas Tech a few years, during the depression -- in the thirties. And I've had production of my own, and runned and drilled it for the past twenty -- twenty-five years, and I've got four exhibits here, for a partial five-spot pattern for waterflood and also saltwater injection that I am interested in -- injecting saltwater here. Exhibit A is a plat of the area showing the adjoining operators, and the area to be flooded with the injection. Exhibit B and C are the schematics of each proposed injection well, and how it's to be completed. Now, Stake Number six has eight-and-five-eighths and 410 feet and no cement. It's in the northeast of the northwest Section 25. Seven at eight-eighteenhs,

cement circulated. I want to flood the Seven Rivers, and I propose to run two and three-eighths tubing cement line to 700, with a tension packer, and put fluid on top of the packer and inhibit the corrosion. The pay is an open hole at eight-twenty-eight to eight-thirty-one. Stake Number four has eight and five-eighths casing at 340 and no cement; northeast to the northwest of Section 25, and four and-a-half-inch casing at 843 with cement circulated. The pay is from 812 to 816. The total depth is 854; supposed to run 700 feet at two and three-eighths cement behind tubing, with a packer, with fluid above the packer inhibited. Stake Number three, has eight and five-eighths at 325 -- no cement; southeast of the northwest of Section 25 -- seven-inch casing at 765 with fifty sacks. Estimated cement top is 265 feet from the surface; proposed to run 700 feet at two and three-eighths cement line with tension packer and inhibit fluid above the packer. Oil is -- pay is 793 to 799, an open hole. Now, this is an open hole that we've tried to recomplete. There is a water line across the lease to furnish water, and, of course, also, we want to inject this saltwater that we haul. We want to make a saltwater injection. We are going to use all of that we can. In

other words, the disposal of produced water on other leases. I propose to inject, approximately, a hundred barrels of water a day in these wells, in this way.

MR. UTZ: All four wells?

A Yes -- did I give you four wells? Let's see. And then, Stake Number eight; it's an old well to be opened up with seven-inch at 350, with 500 sacks of cement -- I don't understand that; it's an old well. I think it must have -- I think it ought to have cement 150 feet from the surface -- estimated four-and-a-half feet and 850 with seventy-five sacks; estimated top of cement is about 500 feet from the surface. I want to run two and three-eighths inch tubing line in it -- on a tension packer, and inhibit the fluid above the packer. I think that about covers it.

MR. UTZ: Mr. Collier, what type tubing do you intend to put in these wells?

A Just upset tubing -- just have it cement lined, probably; used tubing.

Q I see. And you are going to leave the annulus open or gauged?

A Well, I have an idea we will fill the annulus with something; you know.

Q I mean at the surface? Are you going to leave the surface open with a dial or --

A Yes, leave it open.

Q Or are you going to put a gauge on it?

A I'll just leave it open probably, with a valve -- I might put a gauge on it to see if we got any relief by it; probably will, and then take it off -- have a valve.

Q Now, this injection is in Seven Rivers, alone; is it?

A Yes, sir. Now, there is, actually, there is -- they call Yates and Seven Rivers, but I don't know their two pays in there, but they are -- and it could be that if we drilled some more wells, we might accidentally get the other pay. They are fairly close together.

Q These wells that you are applying for here, you only have the Seven Rivers open?

A That's right.

Q All of these wells are in Section 25; is that right?

A Yes, sir.

Q Are there more than one of these wells in one forty-acre tract? Looks like there is.

A I believe there is; yes.

Q In other words, Unit C would have two wells in it?

A I believe that's right.

Q Would you happen to have the foot locations of those wells?

A No, I don't. I don't have it with me.

Q Well, can you furnish us with that information?

A Yes, sir.

Q Day before yesterday? Now, I've noticed that you have shown the west half of twenty-five, and the east half of twenty-six on this Exhibit A, does this all belong to you?

A It all belongs to me; I have the rights to , I believe, 1200 feet in there.

Q And it would be your intention to expand this flood area to the other area over here?

A Yes, sir.

Q To the other three quarters?

A Yes, sir.

Q How about the diagonal off-sets for this quarter section?

A To this quarter section where I have the injection wells?

Q Yes, sir. Are those wells producing?

A Just Donley, is the only one that has any producing in there out of this pay.

Q Now, where is the Donley?

A There right on the north and east; he has the diagonal and the --

Q I'm talking about the off-sets or the diagonal off-sets on your two leases here? On the east half of the twenty-six and the west half of the twenty-five? That's all.

A There is nobody with any shallow wells producing.

Q Are these wells producing in this section that you are requesting here?

A No, sir.

Q None of them?

A No, sir. They are all deep wells.

MR. UTZ: Any further questions of the

witness? You may be excused.

(witness excused)

MR. UTZ: Are there any statements? The
case will be taken under advisement.

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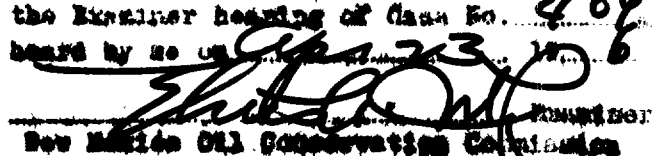
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STATE OF NEW MEXICO)
)
 COUNTY OF BERNALILLO) ss

I, CA FENLEY, 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.



CA FENLEY, COURT REPORTER

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 4086 heard by me on 7/3/69

 Commissioner
 New Mexico Oil Conservation Commission