

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

November 10, 1969

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

C Dear Sir:

Enclosed herewith is Commission Order No. R-3872, entered in Case No. 4250, approving the McCrary & Franklin Square Lake Shipley Waterflood Project.

O Injection is to be through the one authorized water injection well which shall be equipped with cement-lined tubing set in a packer at approximately 2400 feet. The casing-tubing annulus shall be loaded with a corrosion-inhibited fluid and equipped with a pressure gauge at the surface.

P 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 84 barrels per day when the Southeast New Mexico normal unit allowable is 42 barrels per day or less.

Y 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 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.

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Artesia, New Mexico

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

U. S. Geological Survey
Drawer U
Artesia, New Mexico

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



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
P. O. Drawer 0
Artesia, New Mexico 88210

DEC 8 1969
IN REPLY REFER TO:

December 4, 1969

McCrary & Franklin, Inc.
c/o Kersey and Company
Post Office Box 316
Artesia, New Mexico 88210

*file
case 4250*

Gentlemen:

Your letter of November 18, 1969 submitted by Kersey & Company requests approval to operate a waterflood of the Grayburg formation on that portion of oil and gas lease Las Cruces 067807 described as follows:

T. 17 S., R. 29 E., N.M.P.M., Eddy County, New Mexico
sec. 3: SE $\frac{1}{4}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$

You propose to convert to water injection, the No. 2 Shipley located in the NE $\frac{1}{4}$ SW $\frac{1}{4}$ of sec. 3 above. The flood pattern would be nonsymmetrical, but in cooperation with the surrounding waterflood projects.

The plan for operating the above described waterflood project as proposed in the application is satisfactory to this office, and hereby approved subject to 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 - Accounts - File w/attachment

RLB:lh 12/4/69

KERSEY & COMPANY
DRILLING AND OIL PRODUCTION
Phone 746-3671 • P. O. Box 316 • 808 W. Grand
ARTESIA, NEW MEXICO 88210

SEP 16 1969

October 15, 1969

Case 4250

Re: Water Injection well
Square Lake Field

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

Gentlemen:

We would appreciate it if you would schedule a hearing for McCrary & Franklin for the purpose of obtaining permission to convert to water injection their #2 Shipley well located 2310' from the South line and 2310' from the West line of Section 3, T17S, R29E, Eddy County, New Mexico. It is proposed to inject water into the Grayburg and Lovington sands at a depth of 2461 - 2605'.

Yours very truly,

KERSEY & COMPANY FOR MCCRARY & FRANKLIN

By: *Harold Kersey*
Agent

HK:cg

DOCKET MAILED

Date 10-24-69