

CASE 5137: Application of SKELLY  
FOR TWO UNORTHODOX LOCATIONS,  
EDDY COUNTY, NEW MEXICO.

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app. am. 1/2  
unorthodox  
OK

CASE No.

5137

Application,

Transcripts,

Small Exhibits

ETC.

BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
January 3, 1974

EXAMINER HEARING

IN THE MATTER OF:

Application of Skelly Oil  
Company for two unorthodox  
locations, Eddy County, New  
Mexico.

Case No. 5137

BEFORE: Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For New Mexico Oil Conservation  
Commission:

Thomas Derryberry, Esq.  
Counsel for the Commission  
State Land Office Bldg.  
Santa Fe, New Mexico

For the Applicant:

Chester E. Blodget, Esq.  
SKELLY OIL COMPANY  
P.O. Box 1650  
Tulsa, Oklahoma 74102

and

L. C. White, Esq.  
220 Otero  
Santa Fe, New Mexico

THE NYE REPORTING SERVICE  
STATE-WIDE DEPOSITION NOTARIES  
225 JOHNSON STREET  
SANTA FE, NEW MEXICO 87501  
TEL. (505) 982-0386

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E X H I B I T S

	<u>Marked</u>	<u>Admitted</u>
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MR. NUTTER: First Case this afternoon will be Case No. 5137.

MR. DERRYBERRY: Case 5137. Application of Skelly Oil Company for two unorthodox locations, Eddy County, New Mexico.

MR. BLODGET: The Applicant is ready. Chester Blodget for the Applicant and Mr. L. C. White has entered an appearance as our local counsel of the White, Koch, Kelly and McCarthy firm.

We have one witness.

(Witness is affirmed.)

BERT BROWN

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

DIRECT EXAMINATION

BY MR. BLODGET:

Q Mr. Brown, you are familiar with the Application of Skelly Oil Company for an order authorizing the drilling of two wells at unorthodox locations in the Grayburg-Jackson Skelly Unit water flood project, Eddy County, New Mexico?

A Yes, sir.

Q Where are you asking those two wells be drilled?

A We're asking for those locations which would be

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Skelly units and a Skelly unit which was a water flood project to be drilled as Skelly Unit No. 115, located 1330 feet from the West line and 2630 feet from the North line and Well No. 116 located 130 feet from the West line and 1330 feet from the South line of Section 32, Township 17 South, Range 31 East, Eddy County, New Mexico.

Q Now, are you familiar within the Application that Skelly asks that the Well No. 116 be located 10 feet from the West line and now, you just stated you wanted it 130 feet from the West line. Do you desire to make that change in that location at this time?

A Yes, sir, we would like to make that 130 feet because of a power line obstruction at the 10-foot location.

MR. NUTTER: You are seeking to amend the Application, Mr. Blodget, to read to move the location from the advertised 10 from the West and 1330 from the South of 22 and the location as amended would be 130 from the West and 1330 from the South? So, it's less unorthodox than it was?

THE WITNESS: Yes.

MR. NUTTER: It's 130 feet from the line rather than 10. The Application will be so amended.

THE WITNESS: Yes.

MR. NUTTER: Okay, Mr. Blodget, is your witness

testifying as an engineer or geologist or would you identify him, please?

BY MR. BLODGET:

Q Mr. Brown, what is your name and by whom are you employed?

A My name is Bert Brown. I'm employed by Skelly Oil Company in Midland, Texas.

Q What is your occupation?

A Petroleum engineer.

Q Have you previously testified before this Commission and your qualifications been accepted?

A Yes, sir.

Q I call your attention to Skelly -- what has been marked as Skelly Exhibit No. 1 in this cause. Would you identify that, please?

A Exhibit No. 1 is a plat of the Skelly Unit which is operated by Skelly Oil Company and it shows the locations that we desire to drill, No. 115 and No. 116. The other dotted lines on there, you can disregard to this particular case.

Q I call your attention to Skelly's Exhibit No. 2. Would you identify that, please?

A Skelly's Exhibit No. 2 is a decline curve on Skelly

Unit, Grayburg-Jackson water flood project and one curve there shows produced oil by months. The curve right below it is produced water by months and then water injection is the dotted line down below. Please note that in January 1972 oil production for the Unit took a fairly steep decline. This is one of the reasons that we have proposed to drill these two in-field wells, to be able to investigate or to reverse this trend.

Q I call your attention to Exhibit No. 3. Would you identify and discuss that, please?

A Exhibit No. 3 is a Grayburg-Jackson water flood data as of 4-1-65 -- I beg your pardon -- that is the effective date. This is a -- just gives the pertinent data concerning the Grayburg-Jackson water flood current producing rate amounts to 860 barrels a day, water is 1218 and so forth. Injection rate is about 9,000 barrels a day. Cumulative date, you notice we have injected 23.2 million barrels of water, produced 2.5 million and produced 6.5 million barrels of oil. Another, I'd like to point out, also the high cumulative water injection is another reason that we propose to drill these wells. We feel we have inject more water than the results of the flood has indicated. We would like to know, or try to determine, by drilling these wells in what



zone of the vertical scale is taking the water or what proportion.

Q I call your attention to Skelly's Exhibit No. 4. Would you identify and discuss that, please?

A Skelly's Exhibit No. 4 is a schematic which would cover the proposed completion of Skelly Units 115 and 116 as producing wells.

Q I call your attention to Skelly's Exhibit No. 5 and would you please identify that?

A Skelly's Exhibit No. 5 is August 1973, C-120 on the Skelly Unit.

Q I call your attention to Skelly's Exhibit No. 6. Would you identify that, please?

A Let's see. Exhibit No. 6 is data on the wells that would be surrounding the two proposed unorthodox locations. It gives the oil production in Column 1 through September '73 with the monthly production just below that for that particular month on the producing wells as you go right on down and water production is in the next column, gas production next column, water injection in the other column with cumulative through September and September injection in the injection wells offsetting these two proposed wells. You will note the rather high cumulative water injection in these

wells, some 900,000 barrels two of them and over 700,000 in the other.

Q I call your attention to Skelly's Exhibit No. 7. Would you identify that, please?

A Exhibit No. 7 is a letter from the United States Department of Interior approving the drilling of these wells.

Q Mr. Brown, were these Exhibits 1 through 6 prepared by you or under your supervision?

A Yes, sir.

Q And was Exhibit 7 requested by you from -- or by Skelly from the Geological Survey Division?

A Yes, sir.

MR. BLODGET: I move for the introduction of Exhibits 1 through 7.

MR. NUTTER: Skelly Exhibits 1 through 7 will be admitted in evidence.

(Whereupon, Skelly's Exhibits Nos. 1 through 7 were admitted in evidence.)

BY MR. BLODGET:

Q Now, is one of the reasons that you want to in-fill drill is to determine whether or not your present water flood and your present locations of the wells are adequately

draining the dsitance between them?

A Yes, we have a number of reasons for wanting to drill these wells and one is to valuate the water flood, not only at these locations but by zones in those locations. There are about five zones in this reservoir here that we were attempting to flood at one time and we'd like to know which zones are doing what, which zone has taken what percentage of water and what the effectiveness of the flood is in each zone.

We would also like to determine the feasibility of a continued in-field development. We'd like to also increase production of current income rate of this project.

Q In your opinion, would these proposed non-standard or unorthodox locations necessary and advisable to recover additional reserves that might otherwise not be recovered, thereby preventing waste?

A Yes, sir. We feel these locations might contribute a great deal toward recovering more of the reserves in place under this property.

Q Is Skelly also asking in this Application, too, that the final decision, if it's authorizes this in-fill drilling to further provide for approval of further in-fill drilling at unauthorized locations in the Grayburg-Jackson Skelly Unit

water flood projects by administrative means without the necessity of separate hearings for each well or wells?

A Yes, sir.

MR. BLODGET: I have no further questions of this witness.

MR. NUTTER: I'm sorry, Mr. Blodget, I wasn't really paying a lot of attention to your last question there. You were asking that administrative procedure be instituted in the -- or be included in the approval of this project?

MR. BLODGET: Yes, for further in-fill.

MR. NUTTER: Unorthodox wells at unorthodox locations, is this correct?

THE WITNESS: I believe that the orthodox locations are all --

MR. NUTTER: So, all the in-fill would be at unorthodox locations?

THE WITNESS: Yes, sir.

MR. NUTTER: Would you set a stipulation as to the minimum distance that a well could be to the outer boundary of the unit and offsetting other people's property?

THE WITNESS: Let's see. I wouldn't think that we'd be drilling -- offsetting anyone's property in unorthodox.

MR. NUTTER: Would you agree that non-standard locations would be at least one location away from the outer boundary then?

THE WITNESS: Yes, sir.

MR. NUTTER: Okay.

CROSS EXAMINATION

BY MR. NUTTER:

Q Mr. Brown, with reference to your Exhibit No. 4, the schematic diagram of the well.

A Yes, sir.

Q I realize this may be the manner in which some of the existing injection wells are equipped, that is tubing in the hole and without any packer. The Commission no longer approves injection wells without a packer or without some other adequate means of insuring that the --

A (Interrupting) These will be producing wells.

Q Oh, these are producing wells?

A Initially.

MR. NUTTER: Are there any further questions of Mr. Brown?

He may be excused.

(Witness is excused.)

MR. NUTTER: Do you have anything further, Mr.

Blodget?

MR. BLODGET: No.

MR. NUTTER: Does anyone have anything they wish  
to offer in Case No. 5137?

We will take the case under advisement.

STATE OF NEW MEXICO )  
COUNTY OF SANTA FE ) ss.

I, RICHARD L. NYE, Court Reporter, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me, and the same is a true and correct record of the said proceedings, to the best of my knowledge, skill and ability.

*Richard L. Nye*  
COURT REPORTER

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 5137 heard by me on 1-3, 19 73.

*Johnnie*, Examiner  
New Mexico Oil Conservation Commission

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BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF NEW MEXICO FOR  
THE PURPOSE OF CONSIDERING:

CASE NO. 5137  
Order No. R-4700

APPLICATION OF SKELLY OIL COMPANY  
FOR TWO UNORTHODOX LOCATIONS,  
EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on January 3, 1974, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 15th day of January, 1974, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Skelly Oil Company, seeks authority to drill two producing wells at unorthodox locations, being the proposed Skelly Unit Well No. 115, 2630 feet from the North line and 1330 feet from the West line, and the proposed Skelly Unit Well No. 116, 1330 feet from the South line and 130 feet from the West line, both in Section 22, Township 17 South, Range 31 East, NMPM, Grayburg-Jackson Pool, Eddy County, New Mexico.

(3) That the applicant seeks to amend its application as to its Well No. 116 to reflect a proposed location as set out in Finding (1) of this order rather than 1330 feet from the South line and 10 feet from the West line of said Section 22 as originally requested.

(4) That such proposed amended application is for a well location further from the proration unit boundary than that location originally requested and that the request for said amendment to the application should be approved.

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Case No. 5137  
Order No. R-4700

(5) That the SE/4 NW/4 of said Section 22 is to be dedicated to said Skelly Unit Well No. 115 and the NW/4 SW/4 of said Section 22 is to be dedicated to the said Skelly Unit Well No. 116.

(6) That the proposed unorthodox locations are sought in order to evaluate the effect of the applicant's Grayburg-Jackson Waterflood Project in various producing zones, to determine if flood water is entering non-productive zones, to determine if closer producing well spacing would contribute to a more profitable waterflood operation and recover additional oil reserves, and to recover additional secondary reserves that might not otherwise be recovered.

(7) That the applicant is the owner of all mineral interests directly offsetting the proposed unorthodox locations.

(8) That approval of the subject application will afford the applicant the opportunity to produce his just and equitable share of the oil in the Grayburg-Jackson Pool, thereby preventing waste and protecting correlative rights.

IT IS THEREFORE ORDERED:

(1) That the application of Skelly Oil Company to drill two producing wells at unorthodox locations in Section 22, Township 17 South, Range 31 East, NMPM, Grayburg Jackson Pool, Eddy County, New Mexico, is hereby amended as to the Skelly Unit Well No. 116 to reflect a proposed location 1330 feet from the South line and 130 feet from the West line of said Section 22.

(2) That the applicant, Skelly Oil Company, is hereby authorized to drill two wells at unorthodox locations, being its Skelly Unit Well No. 115, 2630 feet from the North line and 1330 feet from the West line, and its Skelly Unit Well No. 116, 1330 feet from the South line and 130 feet from the West line, both in said Section 22, Township 17 South, Range 31 East, NMPM, Grayburg-Jackson Pool, Eddy County, New Mexico.

(3) That the SE/4 NW/4 of said Section 22 shall be dedicated to said Skelly Unit Well No. 115 and the NW/4 SW/4 of said Section 22 shall be dedicated to said Skelly Unit Well No. 116.

(4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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Case No. 5137  
Order No. R-4700

DONE at Santa Fe, New Mexico, on the day and year herein-  
above designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION



*I. R. Trujillo*  
I. R. TRUJILLO, Chairman

*Alex J. Armijo*  
ALEX J. ARMILLO, Member

*A. L. Porter, Jr.*  
A. L. PORTER, Jr., Member & Secretary

S E A L

dr/

DOCKET: EXAMINER HEARING - THURSDAY - JANUARY 3, 1974

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,  
STATE LAND OFFICE BUILDING - SANTA FE, NEW MEXICO

The following cases will be heard before Daniel S. Nutter, Examiner, or Richard L. Stamets, Alternate Examiner:

CASE 5000: (Continued from the June 20, 1973, Regular Hearing)

In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Aztec Oil and Gas Company and United States Fidelity and Guaranty Company and all other interested parties to appear and show cause why the Aztec Totah Unit Wells Nos. 17 and 18, located in Unit E of Section 20, and Unit H of Section 19, respectively, Township 29 North, Range 13 West, San Juan County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 5006: (Continued from the June 20, 1973, Regular Hearing)

In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Aztec Oil and Gas Company and United States Fidelity and Guaranty Company and all other interested parties to appear and show cause why the Southeast Cha Cha Unit Well No. 1 located in Unit M of Section 32, Township 29 North, Range 13 West, San Juan County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 5128: Application of Gulf Oil Corporation for a non-standard gas proration unit and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 160-acre non-standard gas proration unit comprising the NE/4 SW/4 and W/2 SE/4 of Section 28 and the NW/4 NE/4 of Section 33, both in Township 21 South, Range 37 East, Blinbry Gas Pool, Lea County, New Mexico, to be simultaneously dedicated to its J. N. Carson Wells Nos. 4 and 9 located in Units O and K, respectively, of Section 28.

CASE 5129: Application of Dorchester Exploration Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order force pooling all mineral interests in the Wilson-Pennsylvanian Pool underlying the E/2 of Section 13, Township 21 South, Range 34 East, Lea County, New Mexico, to be dedicated to a well to be drilled at a standard location in Unit I of said Section 13. Also to be considered will be the cost of drilling and completing said well and the allocation of such costs, as well as actual operating costs and charges for supervision. Also to be considered is the designation of applicant as operator of the well and a charge for risk involved in drilling said well.

CASE 5130: Application of Mesa Petroleum Company for the amendment of Order No. R-4658, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-4658, which order promulgated special

(Case 5130 continued from Page 1)

pool rules for the North Shoe Bar-Strawn Pool, Lea County, New Mexico. Applicant seeks the amendment of said rules to provide for a special gas-oil ratio limitation of 4000 to one.

CASE 5131: Application of Jake Hamon for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Devonian formation through the perforated interval from 12,935 feet to 12,946 feet and the open-hole interval from 12,960 feet to 13,023 feet in his Getty State L-736 Well No. 1 located in Unit D of Section 32, Township 16 South, Range 36 East, East Shoe Bar-Devonian Pool, Lea County, New Mexico.

CASE 5132: Application of American Quasar Petroleum Company of New Mexico for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the White City Unit Area comprising 5,120 acres, more or less, of Federal, State and fee lands in Township 25 South, Ranges 25 and 26 East, Eddy County, New Mexico.

CASE 5133: Application of Atlantic Richfield Company for four non-standard gas proration units and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the following 320-acre non-standard gas proration units in Township 22 South, Range 36 East, Jalmat Gas Pool, Lea County, New Mexico:

The N/2 of Section 34 to be dedicated to its Curran Jones Wells Nos. 1 and 10 located in Units A and C, respectively, of Section 34;

McDonald State Lease:

The N/2 of Section 14 to be dedicated to Wells Nos. 11 and 25 both located in Unit D of Section 14;

The E/2 of Section 26 to be dedicated to Wells Nos. 22, 9, and 8 located in Units A, G, and P, respectively, of Section 26;

The W/2 of Section 24 to be dedicated to Wells Nos. 26 and 12 located in Units D and M, respectively, of Section 24.

CASE 5134: Application of Atlantic Richfield Company for simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the simultaneous dedication of four wells to a standard 640-acre unit comprising all of Section 15, Township 22 South, Range 36 East, Jalmat Gas Pool, Lea County, New Mexico, said wells being applicant's McDonald State WN Wells Nos. 23, 14, 15, and 13, located in Units C, G, L, and P, respectively, of Section 15.

CASE 5135: Application of Atlantic Richfield Company for the amendment of Order No. R-4549, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Rule 1 of the Special Rules for the Empire-Abo Pressure Maintenance Project as promulgated by Order No. R-4549 to expand the project area as defined therein to include the

Examiner Hearing - Thursday - January 3, 1974

Docket No. 1-74  
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(Case 5135 continued from Page 2)

SW/4 SE/4 of Section 27 and the S/2 SE/4 of Section 34, both in Township 17 South, Range 28 East, and the NW/4 NE/4 and the SE/4 SW/4 of Section 6, Township 18 South, Range 28 East, Empire-Abol Pool, Eddy County, New Mexico.

Applicant further seeks the amendment of Rules 3 and 4 of said special rules to provide that effective January 1, 1974, the maximum allowable for the project area be 33,000 barrels per day rather than 30,000 as presently provided.

CASE 5136: Application of Coastal States Gas Producing Company for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox oil well location of its McGuffin Well No. 2 at a point 1980 feet from the North line and 660 feet from the West line of Section 29, Township 9 South, Range 33 East, Flying "M"-San Andres Pool, Lea County, New Mexico.

CASE 5137: Application of Skelly Oil Company for two unorthodox locations, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to drill two producing wells at two unorthodox locations, one 2630 feet from the North line and 1330 feet from the West line and the other 1330 feet from the South line and 10 feet from the West line, both in Section 22, Township 17 South, Range 31 East, Grayburg-Jackson Pool, Eddy County, New Mexico.

CASE 5138: Application of Skelly Oil Company for a waterflood project and four dual completions, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the Seven Rivers formation, Fren Pool, through six injection wells in its Skelly Unit Area in Sections 21, 22 and 28, Township 17 South, Range 31 East, Eddy County, New Mexico, three of which wells would be dually completed for injection into the Seven Rivers formation and the existing Grayburg-Jackson waterflood project. Applicant further seeks authority to dually complete its Skelly Unit Well No. 76 located in Unit 0 of said Section 21 as a dual completion to produce from the Fren Seven Rivers Pool and the Grayburg-Jackson Pool through parallel strings of tubing.

CASE 5139: Application of Skelly Oil Company for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the Grayburg-San Andres formation through three wells on its Lea "C" Lease in Section 11, Township 17 South, Range 31 East, Grayburg-Jackson Pool, Eddy County, New Mexico.

CASE 5141: Application of David Fasken for directional drilling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to re-enter an existing well, the unorthodox surface location of which is 660 feet from the South and West lines of Section 7, Township 18 South, Range 26 East, West Atoka-Morrow Gas Pool, Eddy County, New Mexico,

(Case 5141 continued from Page 3)

and to directionally drill said well in such a manner as to bottom the well in the Morrow formation at a point 915 feet from the South line and 660 feet from the West line of said Section 7.

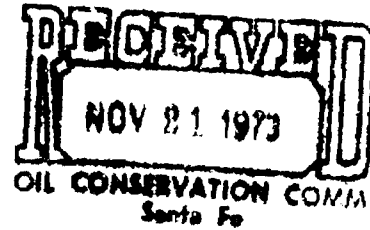
CASE 5142: Application of Amoco Production Company for special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the Black River-Pennsylvanian Gas Pool, Eddy County, New Mexico, including a provision for 320-acre drilling and proration units. In the absence of objection, this pool will be placed on the standard 320-acre spacing for Pennsylvanian gas pools rather than the present 160-acre spacing.

CASE 5140: (This case will be continued to January 16, 1974, Examiner Hearing)

Application of Pierce & Dehlinger for compulsory pooling, Vada-Pennsylvanian Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Vada-Pennsylvanian Pool underlying the NW/4 of Section 24, Township 9 South, Range 33 East, Lea County, New Mexico, to be dedicated to the King Resources Sheridan Well No. 1-A located in Unit C of said Section 24; Also to be considered is designation of the applicant as operator of the NW/4 of said Section 24 and the well located thereon, provision for allocation of actual operating costs and charges for supervision, and allocation of costs for reworking said well including a 200% charge attributable to any non-consenting working interest owner's pro rata share of said workover costs, for the risk involved in said workover.

CASE 4956: (Reopened) (This case will be continued to January 16, 1974, Examiner Hearing)

Application of Pierce & Dehlinger for a determination of well costs, Lea County, New Mexico. Applicant, as operator of the Sheridan Well No. 1 located in Unit M of Section 13, Township 9 South, Range 33 East, Lea County, New Mexico, to which well is dedicated the SW/4 of said Section 13, all mineral interests in the Vada-Pennsylvanian Pool thereunder having been pooled by Commission Order No. R-4560, seeks the determination of reasonable well costs attributable to applicant and to King Resources, including, but not limited to, the costs of reworking and placing said Sheridan Well No. 1 back on production and attorneys fees in connection therewith. Applicant further seeks an order assessing, as a charge for the risk involved in the reworking of the well, 120% of the pro rata share of the reasonable well costs attributable to the working interest of King Resources.



BEFORE THE NEW MEXICO  
OIL CONSERVATION COMMISSION

Application of Skelly Oil Company  
for an Order Authorizing the  
Drilling of two Wells at Unorthodox  
Locations in the Grayburg-Jackson  
Skelly Unit Waterflood Project,  
Eddy County, New Mexico

No. 5737

ENTRY OF APPEARANCE

Comes now L. C. White, of White, Koch, Kelly & McCarthy, P. O.  
Box 787, Santa Fe, New Mexico, and herewith enters their appearance  
as local counsel for and on behalf of the applicant Skelly Oil  
Company in the above entitled matter.

WHITE, KOCH, KELLY & MCCARTHY

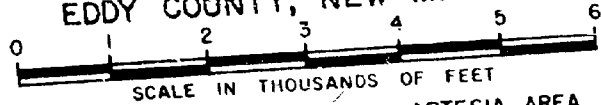
By L.C. White

DOCKET MAILED

Date 12-18-73



SKELLY OIL COMPANY  
WEST CENTRAL DISTRICT  
LOVINGTON SECONDARY GROUP  
SKELLY UNIT  
EDDY COUNTY, NEW MEXICO



NORTH BASIN GEOPROVINCE - ARTESIA AREA

PROGRAM NO.: 645-03-04-01  
DATE: OCT. 1, 1973

LEGEND

- △ GRAYBURG-SAN ANDRES PRODUCER
- ⊙ SEVEN RIVERS PRODUCER
- PENN PRODUCER
- LOCATION
- ◇ DRY HOLE
- ◇ PLUGGED PRODUCER
- ◇ GRAYBURG-SAN ANDRES INJECTION WELL
- ◇ GAS INJECTION WELL
- ◇ PROPOSED INJECTION WELL

CLOSUIT "A"  
17S

GETTY "AZ" KERSEY

MURCHINSON  
CLOSUIT "B"

ATLANTIC  
"B"

31E

SKELLY

REPALLO

U.S.  
H.E. West

SKELLY  
"A"

U.S.  
Lea "C"

SKELLY  
"B"

Dow

INJECTION  
PLANT

SKELLY  
"A"

INJECTION  
PLANT

PROPOSED INJECTION  
PATTERN SEVEN RIVERS

Lynch

SKELLY

SKELLY  
"B"

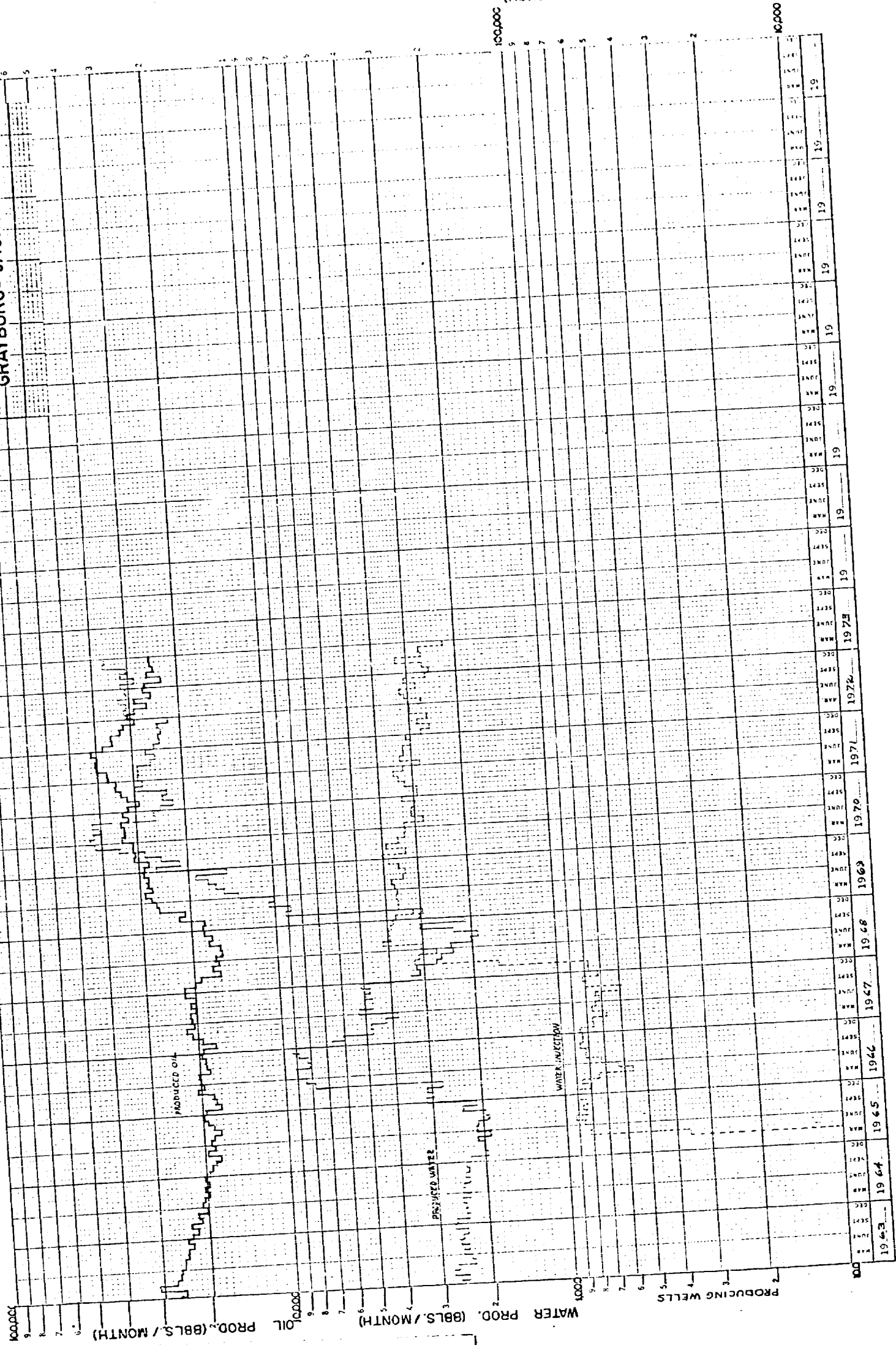
SKELLY  
"D"

U.S.  
Dow

U.S.  
Lynch "B"

BEFORE EXAMINER NUTTER  
5137  
U.S.  
Lea

SKELLY UNIT  
GRAYBURG-JACKSON-POOL



145 20 YEARS BY MONTHS  
47 6840  
REUBEN B. ELLER CO.  
MILWAUKEE

5137 2  
51

SKELLY UNIT

Grayburg-Jackson Waterflood Data

Effective date of flood 4/1/65

Current Producing Rate:

Oil 862 barrels per day  
Water 1218 barrels per day  
Water/oil ratio 1.41/1  
Water cut 58.5%

Current Injection Rate:

Water 9,000 barrels per day

Cumulative Data:

Water injection 23.2 MM barrels  
Water production 2.5 MM barrels  
Oil production 6.6 MM barrels

Well Data:

100 wells  
58 producing wells  
42 injection wells

Proposed drilling at non-standard locations:

Well No. 115 located 1330' FWL 2630' FNL Sec. 22 T-17-S, R-31-E  
Well No. 116 located 130' FWL 1330' FSL Sec. 22 T-17-S, R-31-E

Reasons for drilling:

- (1) Evaluate waterflood effect in various zones.
- (2) Determine if flood water is entering non-productive zones.
- (3) Determine if closer well spacing would contribute to a more profitable flood and recover additional oil reserves.

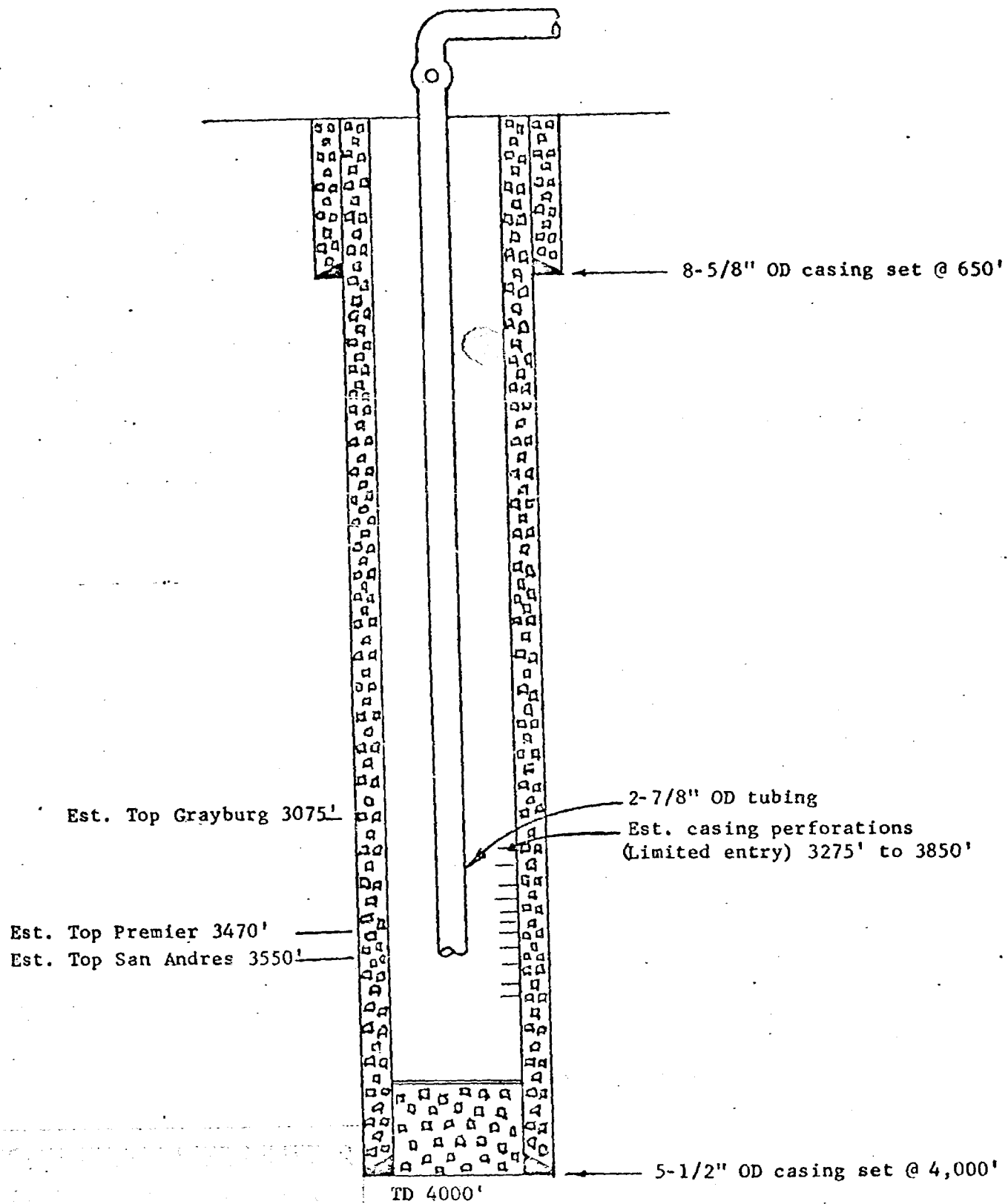
96030  
270000

5137	3
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⑦

DOWN HOLE SCHEMATIC DIAGRAM

Proposed Skelly Unit Wells No. 115 and No. 116  
Grayburg-Jackson Pool  
Eddy County, New Mexico



5137 4

Com. Stelly Oil Company

 Pool Grayburg-Jackson

 County Eddy

 Month August, 1963

## INJECTION WELLS

LEASE	WELL NO.	LOCATION				MCF Gas Injected	Cumulative		Bbls. Water Injected	Cumulative		Avg. Inj. Pressure
		UL	S	T	R		Gas Inj.			Water Inj.		
SKELLY UNIT	3	D	22	17	31				6,827	60,744	1,700	
	19	F	15	17	31				2,025	287,907	1,850	
	21	H	15	17	31				2,175	302,764	1,850	
	22	J	14	17	31				2,443	266,177	1,850	
	24	L	14	17	31				3,067	341,330	1,850	
	26	J	15	17	31				2,175	329,310	1,850	
	30	N	15	17	31				3,925	716,438	1,850	
	32	P	15	17	31				3,325	465,422	1,850	
	34	N	14	17	31				7,040	869,400	1,825	
	38	B	23	17	31				3,287	350,222	1,850	
	40	D	23	17	31				3,312	656,835	1,850	
	42	B	22	17	31				3,857	874,641	1,850	
	44	F	22	17	31				4,301	918,721	1,875	
	46	H	22	17	31				2,497	749,158	1,850	
	48	F	23	17	31				4,870	576,099	1,850	
	52	J	22	17	31				3,758	802,722	1,825	
	54	L	22	17	31				3,437	909,629	1,825	
	56	N	22	17	31				2,225	765,482	1,825	
	58	P	22	17	31				2,769	274,675	1,850	
	64	F	21	17	31				4,444	960,734	1,600	
	66	H	21	17	31				15,409	873,960	1,700	
	67	J	21	17	31				4,050	951,497	1,600	
	69	L	21	17	31				3,606	450,887	1,400	
	71	J	23	17	31				13,769	1,020,290	1,700	
	73	L	23	17	31				7,441	851,975	1,825	
	75	N	21	17	31				4,247	984,086	1,600	
	77	P	21	17	31				11,063	732,724	1,775	
	79	N	23	17	31				8,711	414,838	1,825	
	81	P	23	17	31				13,160	526,738	1,700	
	83	D	26	17	31				8,547	840,756	1,825	
	85	B	27	17	31				2,744	431,086	1,850	
	87	D	27	17	31					38,278	900	
	89	B	28	17	31				6,124	673,121	1,775	
	91	D	28	17	31				17,681	451,790	1,750	
	93	F	28	17	31				5,822	738,708	1,775	
	95	H	28	17	31				6,223	631,814	1,725	
	96	F	27	17	31				2,770	338,839	1,850	
	98	J	28	17	31				9,433	836,525	1,775	
	100	L	28	17	31				16,743	445,236	1,700	
	102	B	14	17	31				3,358	35,281	1,850	
	105	F	14	17	31				2,993	182,937	1,850	
	114	D	14	17	31				3,225	43,283	1,850	
TOTAL		42							239,688	2,397,250.9		

PRODUCING WELLS (Attach additional sheets if necessary)

LEASE	WELL NO.	LOCATION:				BBL'S. OIL PRODUCED	MCF GAS PRODUCED	GOR	BBL'S. WATER PRODUCED	% WATER PRODUCED
		UL	S	T	R					
						SEE ATTACHED SHEET				
TOTAL										

PRODUCING WELLS OUTSIDE A PRORATED WATERFLOOD PROJECT AREA WHICH ARE PRODUCING INTO COMMON FACILITIES WITH WELLS INSIDE A PRORATED WATERFLOOD PROJECT AREA (Attach additional sheets if necessary)

LEASE	WELL NO.	LOCATION				DATE OF TEST	LENGTH OF TEST	BARRELS PRODUCED	BARRELS PER DAY
		UL	S	T	R				
On May 10, 1965, an exception to Rule 70-R-3 was requested from the New Mexico Oil Commission. This request is pending.									

I hereby certify that the above information is true and complete to the best of my knowledge and belief.

Remarks:

NAME

J. R. Avent

TITLE

District Administrative Coordinator

4R

5

### PRODUCING WELLS (Attach additional sheets if necessary)

LEASE	WELL NO.	LOCATION				BULS. OIL PRODUCED	MCF GAS PRODUCED	GOR	BULS. WATER PRODUCED	% WATER PRODUCED
		UL	S	T	R					
Skelly Unit	11	I	21	17	31	155	93	600	17	99
	17	B	15	17	31	1073	663	618	54	48
	18	D	15	17	31	126	4	32	0	00
	20	G	15	17	31	1799	5	4	276	187
	23	K	14	17	31	506	8	16	142	219
	25	I	15	17	31	94	1935	20 585	3	21
	27	K	15	17	31	1200	34	28	36	24
	28	L	15	17	31	252	5	20	0	06
	29	M	15	17	31	234	8	28	11	317
	31	O	15	17	31	163	17	26	636	440
	33	M	14	17	31	1491	5	3	1491	500
	35	O	14	17	31	473	4	8	0	00
	36	P	14	17	31	127	9	71	85	401
	37	A	23	17	31	69	4	58	276	800
	39	C	23	17	31	289	8	10	289	500
	41	A	22	17	31	947	5	5	170	152
	43	C	22	17	31	158	68	430	28	151
	45	G	22	17	31	289	64	81	371	320
	47	E	23	17	31	694	9	13	0	00
	49	G	23	17	31	289	13	16	1687	681
	50	H	23	17	31	64	4	63	7	919
	51	I	22	17	31	820	34	41	271	248
	53	K	22	17	31	190	52	274	112	371
	55	M	22	17	31	189	8	42	9	45
	57	O	22	17	31	316	13	41	117	270
	59	A	21	17	31	124	40	726	2	116
	60	B	21	17	31	125	78	124	0	00
	61	C	21	17	31	155	70	452	0	00
	62	D	21	17	31	435	70	161	48	99
	63	E	21	17	31	31	78	2516	47	603
	65	G	21	17	31	311	90	284	68	179
	68	K	21	17	31					
	70	I	23	17	31	702	0		2106	750
	72	K	23	17	31	1989	1000	503	1989	500
	74	M	21	17	31	808	74	92	202	2010
	76	O	21	17	31	119	242	216	2681	6510
	78	M	23	17	31	404	141	344	22	160
	80	O	23	17	31	373	172	461	306	451
	82	C	26	17	31	373	121	324	5115	932
	84	A	27	17	31	155	62	400	51	248
	86	C	27	17	31	124	179	1444	124	500
	88	A	28	17	31	218	141	647	72	248
	90	C	28	17	31	1336	191	143	62	48
	92	E	28	17	31	1119	308	215	14 849	930
	94	G	28	17	31	156	153	981	234	600
	97	G	27	17	31	62	78	1258	558	900
	99	K	28	17	31					
	101	E	22	17	31	187	0		0	00
103	C	14	17	31	56	13	232	109	661	
104	E	14	17	31	142	6	42	99	412	
106	C	15	17	31	158	133	842	0	00	
107	E	27	17	31	234	471	2013	26	100	
108	A	15	17	31	568	543	956	852	600	
109	E	15	17	31	820	257	313	402	324	
110	G	14	17	31	453	289	638	23	48	
111	I	14	17	31	95	369	3884	3	31	
112					85	659	7753	9	96	
113	H	14	17	31	86	566	6581	9	95	
TOTAL	60				26460	9716	367	36109	577	

SKELLY UNIT  
Proposed Infill Drilling Offsets

<u>Well No.</u>	<u>Type</u>	<u>Oil Prod.</u>	<u>Water Prod.</u>	<u>Gas Prod. (MCF)</u>	<u>Water Injection</u>
11 September, 1973	Prod.	40,613 151	2,348 17	71,512 88	0
*44 September, 1973	Inj.	22,539	0	6,676	918,721 7,551
*53 September, 1973	Prod.	79,283 157	10,845 93	74,967 36	0
*54 September, 1973	Inj.	29,515	0	23,178	909,629 2,482
55 September, 1973	Prod.	50,853 702	2,228 35	40,229 25	0
77 September, 1973	Inj.	68,437	0	256,109	732,724 10,500
*101 September, 1973	Prod	39,422 167	2,160 0	60,962 0	0

\* Offset to north infill well proposed

513.7 6

6



# United States Department of the Interior

## GEOLOGICAL SURVEY

Drawer 1857  
Roswell, New Mexico 88201

November 26, 1973

Skelly Oil Company  
Attention: Mr. C. J. Love  
P.O. Box 1351  
Midland, Texas 79701

	Oil	
	Gas	
1		

SKELLY OIL CO.	
EXPL. & PROD.	
NOV 27 1973	
WEST CENTRAL DISTRICT	

Gentlemen:

One copy of your 1973 supplemental plan of development and operation for the Skelly unit area, Eddy County, New Mexico, approved on this date, is enclosed. Such plan proposes to initiate pilot waterflood operations in the Seven-Rivers employing eight wells in a conventional 5-spot pattern and the drilling of two infill producing wells for additional reservoir data and evaluation of current waterflood operation in the Grayburg-San Andres.

Sincerely yours,

*Carl C. Traywick*

CARL C. TRAYWICK  
Acting Area Oil & Gas Supervisor

5137	7
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## SKELLY OIL COMPANY

P. O. BOX 1650

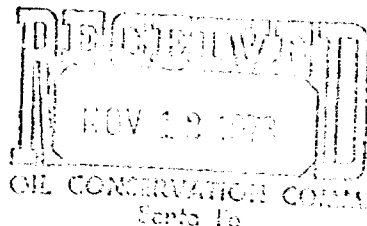
TULSA, OKLAHOMA 74102

November 8, 1973

LAW DEPARTMENT

CHESTER E. BLODGET  
SENIOR ATTORNEY

*Case 8737*



Re: Application of Skelly Oil Company  
for an Order Authorizing the  
Drilling of Two Wells at Unorthodox  
Locations in the Grayburg-Jackson  
Skelly Unit Waterflood Project,  
Eddy County, New Mexico

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

Gentlemen:

We are enclosing herewith the original and two copies of the above-referenced application.

We would appreciate your setting this matter down for hearing on the next Examiner Docket, which we understand will be January 3, 1974.

Yours very truly,

*Chester E. Blodget*  
Chester E. Blodget

CEB:br  
Encl.

DOCKET MAILED

Date 12-18-73

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF SKELLY )  
OIL COMPANY FOR AN ORDER AUTHORIZING THE )  
DRILLING OF TWO WELLS AT UNORTHODOX LOCA- )  
TIONS IN THE GRAYBURG-JACKSON SKELLY UNIT )  
WATERFLOOD PROJECT, EDDY COUNTY, NEW )  
MEXICO. )

CASE NO. 2137  
FILED \_\_\_\_\_  
HEARING 1-6-74

A P P L I C A T I O N

Comes now Skelly Oil Company and alleges and states:

1. That it is a Delaware corporation authorized to do business in the state of New Mexico. That it operates the Grayburg-Jackson Skelly Unit Waterflood Project underlying the following described land:

All of Sections 14, 15, 21, 22, 23, the North Half of the Northwest Quarter (N/2 NW/4) of Section 26, the Northwest Quarter (NW/4), the West Half of the Northeast Quarter (W/2 NE/4), and the Northeast Quarter of the Northeast Quarter (NE/4 NE/4) of Section 27, the North Half (N/2), and the North Half of the South Half (N/2 S/2) of Section 28, Township 17 South, Range 31 East, Eddy County, New Mexico.

2. That Applicant seeks authority to drill in said waterflood project two additional production wells at unorthodox locations, to-wit:

Well No. 115, located 1,330 feet from the West line and 2,630 feet from the North line, and

Well No. 116, located 10 feet from the West line and 1,330 feet from the South line,

both in Section 22, Township 17 South, Range 31 East, Eddy County, New Mexico.

3. That attached hereto and made a part hereof as Exhibit 1 is a plat showing the proposed location of the two additional production wells.

4. That attached hereto and made a part hereof as Exhibit 2 is a chart showing the production decline curve.

5. That attached hereto and made a part hereof as Exhibit 3 is a summary of the Skelly Unit Grayburg-Jackson Waterflood Project data.

6. That attached hereto and made a part hereof as Exhibit 4 is a downhole schematic diagram of the proposed Skelly Unit Well Nos. 115 and 116.

7. That attached hereto and made a part hereof as Exhibit 5 are injection and production data sheets covering the wells in the Skelly Unit producing from the Grayburg-Jackson zone.

8. That attached hereto and made a part hereof as Exhibit 6 is a sheet setting out production and injection data pertaining to the wells offsetting the proposed infill wells.

9. That the proposed non-standard or unorthodox locations are necessary and advisable to recover additional secondary recovery reserves that might not otherwise be recovered, thereby preventing waste.

WHEREFORE, PREMISES CONSIDERED, Applicant prays that this Commission set this matter down for hearing, that notice hereof be

given as required by law, and that at the conclusion of said hearing based on the evidence adduced the Commission enter its order granting Skelly Oil Company permission to drill Well No. 115 at a location 1,330 feet from the West line and 2,630 feet from the North line, and Well No. 116 at a location 10 feet from the West line and 1,330 feet from the South line, both locations in Section 22, Township 17 South, Range 31 East, Eddy County, New Mexico, said wells to be completed in the Grayburg-Jackson pool, and to further provide for approval of further infill drilling at unorthodox locations in the Grayburg-Jackson Skelly Unit Waterflood Project by administrative means without the necessity of separate hearings, and for such other orders, rules and regulations as may be necessary in the premises.

Respectfully submitted,

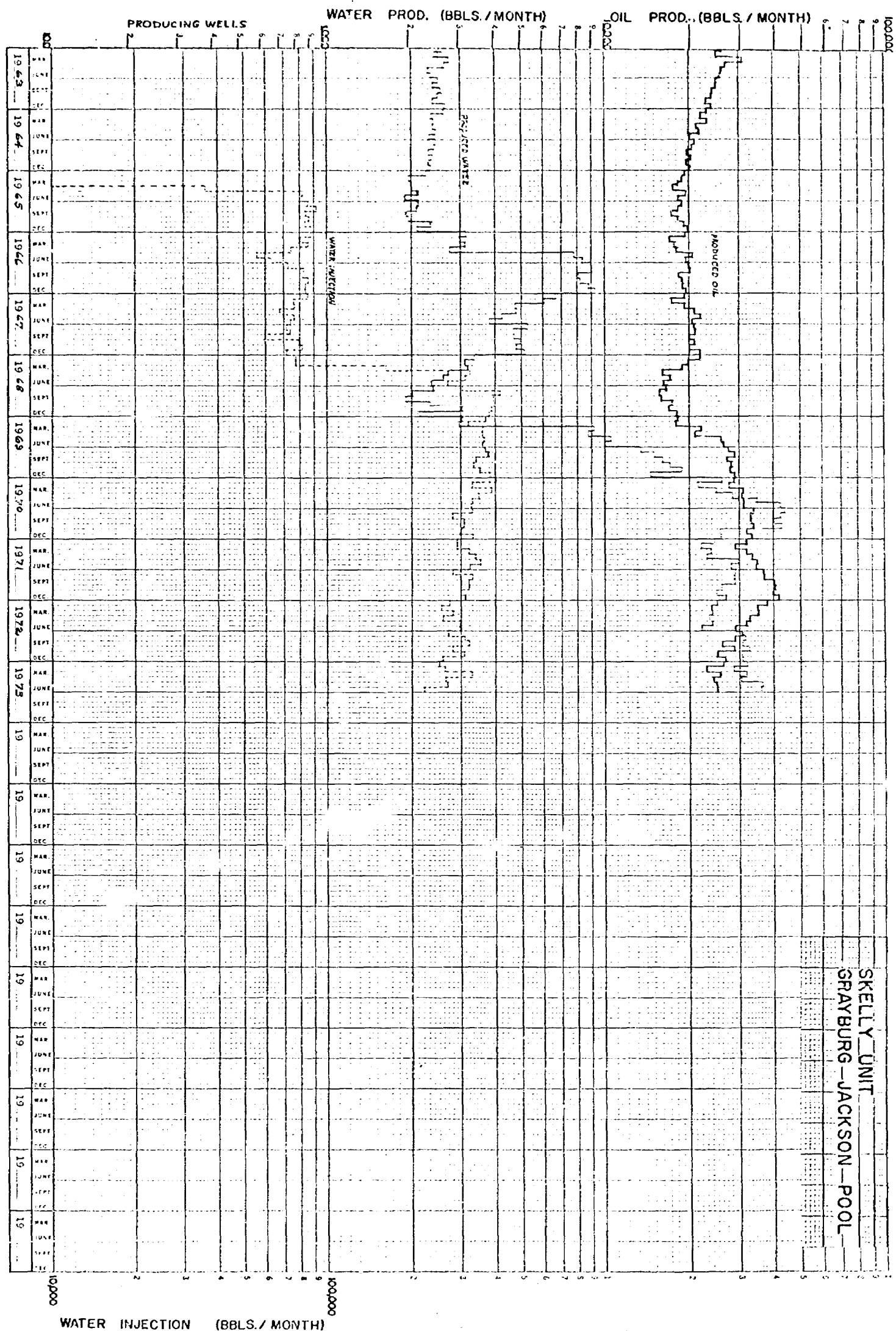
SKELLY OIL COMPANY

By *Chester E. Blodget*  
Chester E. Blodget, Attorney

Of Counsel:

L. C. White, Attorney  
White, Koch, Kelly & McCarthy  
P. O. Box 787  
Santa Fe, New Mexico 87501





Case 5137

SKELLY UNIT

Grayburg-Jackson Waterflood Data

Effective date of flood 4/1/65

Current Producing Rate:

Oil 862 barrels per day  
Water 1218 barrels per day  
Water/oil ratio 1.41/1  
Water cut 58.5%

Current Injection Rate:

Water 9,000 barrels per day

Cumulative Data:

Water injection 23.2 MM barrels  
Water production 2.5 MM barrels  
Oil production 6.6 MM barrels

Well Data:

100 wells  
58 producing wells  
42 injection wells

Proposed drilling at non-standard locations:

Well No. 115 located 1330' FWL 2630' FNL Sec. 22 T-17-S, R-31-E

Well No. 116 located 10' FWL 1330' FSL Sec. 22 T-17-S, R-31-E

Reasons for drilling:

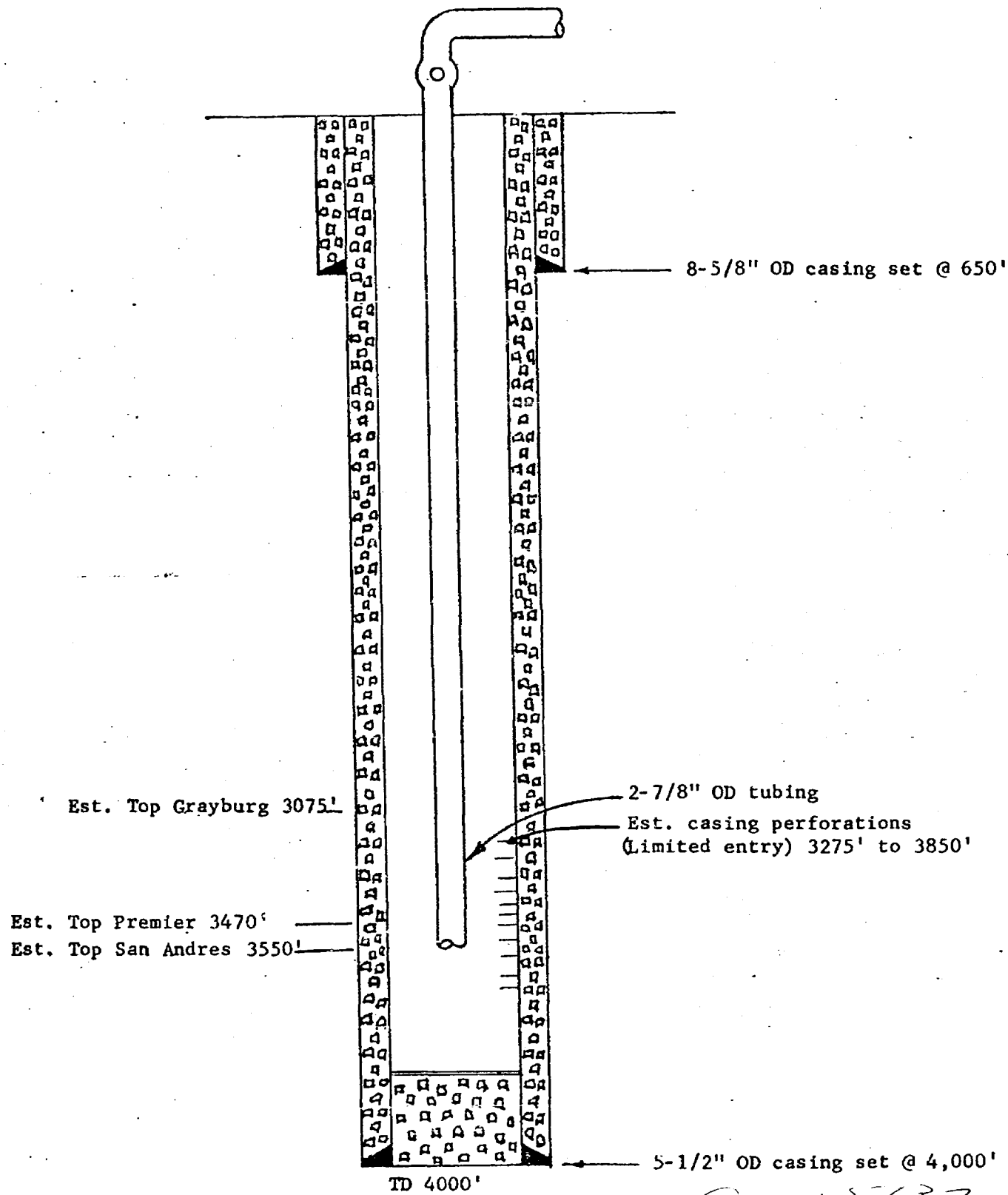
- (1) Evaluate waterflood effect in various zones.
- (2) Determine if flood water is entering non-productive zones.
- (3) Determine if closer well spacing would contribute to a more profitable flood and recover additional oil reserves.

Case 5127

Eph # 3

DOWN HOLE SCHEMATIC DIAGRAM

Proposed Skelly Unit Wells No. 115 and No. 116  
Grayburg-Jackson Pool  
Eddy County, New Mexico



*Oliver 5137*

*Spk #4*

Pool Grayburg-Jackson

Month August 1913

## INJECTION WELLS

LEASE	WELL NO.	LOCATION			MCF Gas Injected	Cumulative		Bbls. Water Injected	Cumulative		Avg. Inj. Pressure
		OL	S	T		Gas Inj.	Water Inj.				
SKELLY UNIT	3	D	22	1731				61827	60744	1700	
	19	F	15	1731				2025	287907	1850	
	21	H	15	1731				2175	302764	1850	
	22	J	14	1731				2443	266177	1850	
	24	L	14	1731				3067	341230	1850	
	26	J	15	1731				2175	329310	1850	
	30	N	15	1731				3925	716438	1850	
	32	P	15	1731				3325	465422	1850	
	34	N	14	1731				7040	869400	1825	
	38	B	23	1731				3287	350222	1850	
	40	D	23	1731				3312	656835	1850	
	42	B	22	1731				3857	874641	1850	
	44	F	22	1731				4301	918721	1875	
	46	H	22	1731				2497	749158	1850	
	48	F	23	1731				4820	576099	1850	
	52	J	22	1731				3758	802722	1825	
	54	L	22	1731				3437	904629	1825	
	56	N	22	1731				2225	765482	1825	
	58	P	22	1731				2769	274675	1850	
	64	F	21	1731				4444	960134	1600	
	66	H	21	1731				15409	873960	1700	
	67	J	21	1731				4050	951497	1600	
	69	L	21	1731				3606	450887	1400	
	71	J	23	1731				13769	1020290	1700	
	73	L	23	1731				7446	851975	1825	
	75	N	21	1731				4247	984086	1600	
	77	P	21	1731				11063	732224	1775	
	79	N	23	1731				8711	414838	1825	
	81	P	23	1731				13160	526738	1700	
	83	D	26	1731				8547	840756	1825	
	85	B	27	1731				2744	431086	1850	
	87	D	27	1731					38278	900	
	89	B	28	1731				6124	673121	1725	
	91	D	28	1731				17681	451790	1750	
93	F	28	1731				5872	738708	1775		
95	H	28	1731				6223	631814	1725		
96	F	27	1731				2770	338839	1850		
98	J	28	1731				9433	836525	1775		
100	L	28	1731				16743	445236	1700		
102	B	14	1731				3558	35281	1850		
105	F	14	1731				2993	182937	1850		
114	D	14	1731				3225	43283	1850		
TOTAL	42						239688	23972509			

[illegible]

PRODUCING WELLS OUTSIDE A PRORATED WATERFLOOD PROJECT AREA WHICH ARE PRODUCING INTO COMMON FACILITIES WITH WELLS INSIDE A PRORATED WATERFLOOD PROJECT AREA (Attach additional sheets if necessary)

LEASE	WELL NO.	LOCATION				DATE OF TEST	LENGTH OF TEST	BARRELS PRODUCED	BARRELS PER DAY
		UL	S	T	R				
On May 10, 1965, an exception to Rule 70-E-3 was requested from the New Mexico Oil Commission. This request is pending.									

I hereby verify that the above information is true and complete to the best of my knowledge and belief.

Remarks:

NAME \_\_\_\_\_

J. R. Avent

TITLE

District Administrative Coordinator

Case 5737 Exhibit 25



# SKELLY UNIT

August, 1933

PRODUCING WELLS (Attach additional sheets if necessary)

LEASE	WELL NO.	LOCATION				BBL'S. OIL PRODUCED	MCF GAS PRODUCED	GOR	BBL'S. WATER PRODUCED	% WATER PRODUCED
		UL	S	T	R					
Skelly Unit	11	I	21	17	31	155	93	6.00	12	9.9
	17	B	15	17	31	1073	663	618	54	4.8
	18	D	15	17	31	126	4	32	0	0.0
	20	G	15	17	31	1799	5	4	276	18.7
	23	K	14	17	31	506	8	16	142	21.9
	25	I	15	17	31	94	1935	20 585	3	2.1
	27	K	15	17	31	1200	34	28	36	2.9
	28	L	15	17	31	252	5	20	0	0.6
	29	M	15	17	31	284	8	28	11	3.7
	31	O	15	17	31	163	17	26	636	49.0
	33	M	14	17	31	1491	5	3	1491	50.0
	35	O	14	17	31	473	4	8	0	0.0
	36	P	14	17	31	122	9	71	85	4.1
	37	A	23	17	31	69	4	58	276	8.0
	39	C	23	17	31	289	8	10	289	50.0
	41	A	22	17	31	947	5	5	120	15.2
	43	C	22	17	31	158	68	430	28	15.1
	45	G	22	17	31	289	64	81	321	32.0
	47	E	23	17	31	694	9	13	0	0.0
	49	G	23	17	31	289	13	16	1681	68.1
	50	H	23	17	31	64	4	63	7	9.9
	51	I	22	17	31	820	34	41	271	24.8
	53	K	22	17	31	190	52	274	112	32.1
	55	M	22	17	31	189	8	42	9	4.5
	57	O	22	17	31	316	13	41	112	27.0
	59	A	21	17	31	124	90	726	2	1.6
	60	B	21	17	31	225	78	624	0	0.0
	61	C	21	17	31	155	70	452	0	0.0
	62	D	21	17	31	435	70	161	48	9.9
	63	E	21	17	31	31	78	2516	42	60.3
	65	G	21	17	31	311	90	289	68	17.9
	68	K	21	17	31	S. L. L. Dr				
	70	I	23	17	31	702	0	—	2106	75.0
	72	K	23	17	31	1989	1000	503	1989	50.0
	74	M	21	17	31	808	74	92	202	20.0
	76	O	21	17	31	119	242	216	2681	65.0
	78	M	23	17	31	404	141	349	22	16.0
	80	O	23	17	31	373	122	461	306	45.1
	82	C	26	17	31	323	121	324	5 115	93.2
	84	A	27	17	31	155	62	400	51	24.8
	86	C	27	17	31	124	179	1444	124	50.0
	88	A	28	17	31	218	141	647	22	24.8
	90	C	28	17	31	1336	191	143	62	4.8
	92	E	28	17	31	1119	308	275	14 849	93.0
	94	G	28	17	31	156	153	981	234	60.0
	97	G	27	17	31	62	78	1 258	558	90.0
	99	K	28	17	31	Temporarily Abandoned				
	101	E	22	17	31	187	0	—	0	0.0
	103	C	14	17	31	56	13	232	109	66.1
	104	E	14	17	31	142	6	42	99	41.2
	106	C	15	17	31	158	133	842	0	0.0
	107	E	27	17	31	234	471	2013	26	10.0
	108	A	15	17	31	568	543	956	852	60.0
	109	E	15	17	31	820	252	313	402	32.9
	110	G	14	17	31	433	289	638	23	4.8
	111	I	14	17	31	95	319	3 884	3	3.1
	112					85	659	7 253	9	9.6
	113	H	14	17	31	86	566	6 581	9	9.5
TOTAL		60				26460	9216	367	36109	52.7

Sum 5.137

SKELLY UNIT  
Proposed Infill Drilling Offsets

<u>Well No.</u>	<u>Type</u>	<u>Oil Prod.</u>	<u>Water Prod.</u>	<u>Gas Prod. (MCF)</u>	<u>Water Injection</u>
11	Prod.	40,613	2,348	71,512	0
September, 1973		151	17	88	
*44	Inj.	22,539	0	6,676	918,721
September, 1973					7,551
*53	Prod.	79,283	10,845	74,967	0
September, 1973		157	93	36	
*54	Inj.	29,515	0	23,178	909,629
September, 1973					2,482
55	Prod.	50,853	2,228	40,229	0
September, 1973		702	35	25	
77	Inj.	68,437	0	256,109	732,724
September, 1973					10,500
*101	Prod	39,422	2,160	60,962	0
September, 1973		167	0	0	

\* Offset to north infill well proposed

*Case 5737*  
*Exh # 6*

DRAFT.

jr

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION  
COMMISSION OF NEW MEXICO FOR  
THE PURPOSE OF CONSIDERING:

CASE NO. 5137

Order No. R-4700

APPLICATION OF SKELLY OIL COMPANY FOR  
TWO UNORTHODOX LOCATIONS, EDDY COUNTY,  
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on January 3, 1974,  
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this        day of January, 1974, the Commission,  
a quorum being present, having considered the testimony, the record,  
and the recommendations of the Examiner, and being fully advised  
in the premises,

FINDS:

(1) That due public notice having been given as required by  
law, the Commission has jurisdiction of this cause and the subject  
matter thereof.

(2) That the applicant, Skelly Oil Company, seeks authority to drill two  
producing wells at ~~two~~ unorthodox locations, ~~one for the applicant~~ <sup>being the</sup> proposed  
~~Skelly Unit Well No. 115, 2630 feet from the North line and the other, for the~~  
~~applicant's~~ proposed Skelly Unit Well No. 116, 1330 feet from the South line  
and 130 feet from the West line, both in Section 22, Township 17 South, Range  
31 East, NMPM, Grayburg-Jackson Pool, Eddy County, New Mexico.

(3) That the applicant seeks to amend its application as to its well No. 116 to reflect a proposed location as set out in Finding (1) of this order rather than 1330 feet from the South line and 10 feet from the West line of said Section 22 as originally requested.

(4) That such proposed amended application is for a well location further from the proration unit boundary than that location originally requested and that the request for said amendment to the application should be approved.

*Unit Well* (5) <sup>SE 1/4 NW 1/4</sup> That the ~~NE 1/4 SW 1/4~~ of said Section 22 is to be dedicated to ~~the~~ <sup>said Skelly</sup> ~~Applicant's~~ No. 115 ~~well~~ and the <sup>NW 1/4</sup> ~~NE 1/4~~ SW 1/4 of said Section 22 is to be dedicated to the ~~Applicant's No. 116 Well~~. *said Skelly Unit Well No 116.*

(6) That the proposed unorthodox locations are sought in order to evaluate the effect of the Applicant's Grayburg-Jackson Waterflood Project in various producing zones, to determine if flood water is entering non-productive zones, to determine if closer producing well spacing would contribute to a more profitable waterflood operation and recover additional oil reserves, and to recover additional secondary reserves that might not otherwise be recovered.

(7) That the Applicant is the owner of all mineral interests directly offsetting the proposed unorthodox locations.

(8) That approval of the subject application will afford the Applicant the opportunity to produce his just and equitable share of the oil in the Grayburg-Jackson Pool, thereby preventing waste and protecting correlative rights.

IT IS THEREFORE ORDERED:

(1) That the application of Skelly Oil Company to drill two producing wells at unorthodox locations in Section 22, Township 17 South, Range 31 East, NMPM, Grayburg Jackson Pool, Eddy County, New Mexico, is hereby amended as to the Skelly unit Well No. 116 to reflect a proposed location 1330 feet from the South line and 130 feet from the West line of said Section 22.

-3-  
CASE NO. 5137  
Order No. R-

(2) That the Applicant, Skelly Oil Company, is hereby authorized to drill two wells ~~in two~~ <sup>at</sup> unorthodox locations, ~~one~~ <sup>being</sup> its Skelly Unit Well No. 115, 2630 feet from the North line and 1330 feet from the West line, and ~~the other~~ <sup>its</sup> ~~for the Applicant's~~ Skelly Unit Well No. 116, 1330 feet from the South line and 130 feet from the West line, both in Section 22, ~~Township 17 South,~~ <sup>said</sup> ~~Range 31 East, NMPM, Crayburg Jackson Pool, Eddy County, New Mexico.~~ <sup>Sec 4</sup>

(3) That the ~~NE 1/4 SW 1/4~~ <sup>SE 1/4 NW 1/4</sup> of said Section 22 shall be dedicated to ~~Applicant's~~ <sup>said</sup> Skelly Unit Well No. 115 ~~and~~ <sup>and</sup> the NW 1/4 SW 1/4 of said Section 22 shall be dedicated to ~~Applicant's~~ <sup>said</sup> Skelly Unit Well No. 116. Well No 116.

(4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Sante Fe, New Mexico, on the day and year hereinabove designated.