

June 11, 1958

Re: IN THE MATTER OF APPLICATION OF SKELLY OIL COMPANY FOR AN ORDER AMENDING ORDER NO. R-179-A TO AUTHORIZE THE TRANSFER OF ALLOWABLE FROM WATER INJECTION WELLS TO OTHER WELLS ON THE SAME BASIC LEASE AND TO ESTABLISH A LEASE ALLOWABLE FOR ITS H. O. SIMS PILOT WATER FLOOD PROJECT. IT IS ALSO REQUESTED THAT AN EMERGENCY ORDER BE GRANTED WHEREBY THE PETITIONER MAY PRODUCE ITS H. O. SIMS NO. 6 IN EXCESS OF TOP ALLOWABLE.

New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

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

Gentlemen:

With this application, Skelly Oil Company is requesting a hearing before the New Mexico Oil Conservation Commission for the purpose of amending Order No. R-179-A to authorize the transfer of allowable from water injection wells to other wells on the same basic lease and to establish a lease allowable for its H. O. Sims lease. In support of this application the following is listed:

1. That Order R-179-A authorized the conversion of H. O. Sims No. 8, SE/4 SW/4 and H. O. Sims No. 9 NW/4 SW/4 Section 34-22S-37E to water injection wells.
2. That water injection was instigated in these wells in August 1953.
3. That the petitioner's H. O. Sims No. 6, located NE/4 SW/4 Section 34-22S-37E is now capable of producing around 52 BOPD.
4. That the petitioner's H. O. Sims No. 10, located SW/4 SW/4 Section 34-22S-37E has also indicated an increase in production.
5. That the petitioner's H. O. Sims No. 7, located NE/4 NW/4 Section 3-23S-37E and H. O. Sims No. 11, NE/4 SE/4 Section 33-22S-37E, should respond to water injection in the near future.
6. That the petitioner requests that allowables for its H. O. Sims No. 8 and 9 injection wells be transferred to producing wells within the Pilot Water Flood area.
7. That a lease allowable be created for the H. O. Sims Pilot Water Flood area whereby the petitioner may produce up to six times the normal unit allowable from any well or wells in the pilot area.
8. That the wells to be considered in this application are part of the same basic lease and are as follows:

H. O. Sims No. 6 - NE/4 SW/4 - 34-22S-37E
H. O. Sims No. 9 - NW/4 SW/4 - 34-22S-37E
H. O. Sims No. 11 - NE/4 SE/4 - 33-22S-37E
H. O. Sims No. 10 - SW/4 SW/4 - 34-22S-37E
H. O. Sims No. 8 - SE/4 SW/4 - 34-22S-37E
H. O. Sims No. 7 - NE/4 NW/4 - 3-23S-37E

9. That the transfer of allowable and the creation of the lease allowable will prevent waste and enable the petitioner to fully evaluate the pilot water flood.

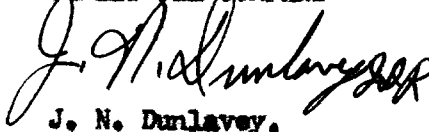
June 11, 1958

10. That until such time as a hearing is granted, an emergency order be written whereby the petitioner may produce its H. O. Sims No. 6 at a rate in excess of the normal unit allowable.
11. That the curtailment of production from the H. O. Sims No. 6 at this time will result in waste and would not be in the interest of conservation and correlative rights.
12. That a plat of the area showing wells and lease ownership is attached.
13. That all offset operators are notified by a copy of this application.

Therefore, the petitioner requests that a hearing be granted for the purpose of amending Order No. B-179-A whereby the petitioner, in the interest of conservation and protection of correlative rights, may transfer allowable from water injection wells and create a lease allowable to enable the production of six times the normal unit allowable from wells within the H. O. Sims Pilot Water Flood area.

Respectfully submitted,

SKELLY OIL COMPANY


J. N. Dunlavey,
District Superintendent.

JHD/JDR/e

cc: Humble Oil & Refining Co.
Box 1600
Midland, Texas

Gulf Coast Western Oil Co.
916 Petroleum Building
Oklahoma City, Oklahoma

Mr. George W. Selinger
Skelly Oil Company
Tulsa, Oklahoma

Attachment: 1