

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 IT TO)
INJECT WATER INTO ITS HOBBS "W" NO. 9 WELL)
LOCATED IN SECTION 29, TOWNSHIP 7 SOUTH,)
RANGE 34 EAST, CHAVEROO SAN ANDRES POOL,)
ROOSEVELT COUNTY, NEW MEXICO.)

CASE NO. 3907

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, and that it is operating wells on its Hobbs "W" lease located in portions of Sections 29 and 30, Township 7 South, Range 34 East, Roosevelt County, New Mexico.
2. That the wells on this lease are producing from the Chaveroo San Andres Pool and produce substantial quantities of salt water in association with that production and that in order to eliminate surface pits in this area, it is necessary and desirable that a method of subsurface injection be authorized.
3. That Skelly Oil Company has heretofore drilled its Hobbs "W" Well No. 9 located in Unit F of Section 29, Township 7 South, Range 34 East, Roosevelt County, New Mexico and that attempts were made to complete the well in the Chaveroo San Andres Pool but the zone was found to be wet and the well is now temporarily abandoned as being nonproducing of hydrocarbons in the pool. That in order to recover oil which would not otherwise be recovered and to increase the ultimate recovery, applicant proposes to conduct a waterflood project on said lease by injecting water into the San Andres formation, Chaveroo San Andres Pool in its Hobbs "W" Well No. 9 above described.
4. That based on the performance and information gained from the injection into the aforementioned well the applicant may request administrative approval to expand the project and to convert additional wells.
5. That attached hereto and made a part hereof is Exhibit "A", a plat showing the location of the proposed injection well and the location of all other wells within a radius of two miles from the proposed injection well and the formation from which wells are producing or have produced. The plat also indicates the wells within the aforementioned two mile radius.
6. That attached hereto and made a part hereof is Exhibit "B", a log of the proposed injection well.
7. That attached hereto and made a part hereof is Exhibit "C", a diagrammatic sketch of the proposed injection well showing all casing strings including a diameter and setting depths; quantities used and tops of cement; perforation interval; tubing strings, including diameter and setting depths; and the type and location of packers.
8. That the interval into which injection will be made is the San Andres Pool approximately 3567' below surface through perforations in the interval 4369' to 4443' and that the water will be produced water on Skelly Oil Company's Hobbs "W" lease and from other wells in the immediate vicinity and that the anticipated initial injection volumes will be between 200-300 barrels of water per day, with an anticipated maximum of 1000 barrels of water per day at a maximum pressure of 1500 psi.

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 conduct a waterflood project in the Chaveroo San Andres Pool through injection in its Hobbs "W" Well No. 9 located in Unit F of Section 29, Township 7 South, Range 34 East, Roosevelt County, New Mexico, and to further provide for administrative expansion of the project area and the conversion of additional wells 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

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Its Attorneys

By Ronald J. Jacobs

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- CASE 3906:** Application of Skelly Oil Company for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the Queen formation through its Mattix "A" Well No. 4 located in Unit K of Section 2, Township 24 South, Range 37 East, Langlie-Mattix Oil Pool, Lea County, New Mexico. Applicant further seeks a procedure whereby said project may be expanded administratively without a showing of well response.
- CASE 3907:** Application of Skelly Oil Company for a waterflood project, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pilot waterflood project by the injection of water into the San Andres formation through its Hobbs "W" Well No. 9 located in Unit F of Section 29, Township 7 South, Range 34 East, Chaveroo-San Andres Pool, Roosevelt County, New Mexico. Applicant further seeks a procedure whereby said project may be expanded administratively without a showing of well response.
- CASE 3908:** Application of Pan American Petroleum Corporation for salt water disposal, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the San Andres formation in the perforated interval from approximately 3932 feet to 4027 feet in its Miller Federal Well No. 4 located in Unit L of Section 35, Township 7 South, Range 31 East, Tom-Tom San Andres Pool, Chaves County, New Mexico.
- CASE 3909:** Application of Champlin Petroleum Company for salt water disposal, Roosevelt County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into San Andres formation, Chaveroo-San Andres pool, Roosevelt County, New Mexico, through the following two wells located in Township 7 South, Range 33 East:

Champlin Lauck-Federal Well No. 12,
Unit J of Section 29; Disposal Interval -
4202 feet to 4404 feet;

Champlin State 32-7-33 Well No. 5, Unit J
of Section 32; Disposal Interval - 4303
feet to 4425 feet.

(CASE 3901 continued)

23 South, Range 36 East, Jalmat Pool, Lea County, New Mexico.

- CASE 3902: Application of Continental Oil Company for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pilot waterflood project by the injection of water into the Queen formation through its Stevens "B" Well No. 8 located in Unit A of Section 12, Township 23 South, Range 36 East, Langlie-Mattix Pool, Lea County, New Mexico.
- CASE 3903: Application of Continental Oil Company for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project by the injection of water into the Delaware formation in the perforated intervals from approximately 4675 feet to 4765 feet in its Payne Well No. 11 and from 4666 feet to 4740 feet in its Payne Well No. 12 located 660 feet from the South line and 1650 feet from the West line of Section 30, 1935 feet from the North line and 2090 feet from the West line of Section 31, respectively, Township 26 South, Range 33 East, El Mar-Delaware Pool, Lea County, New Mexico.
- CASE 3904: Application of Continental Oil Company for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a pilot waterflood project by the injection of water into the Delaware formation through its Thompson Federal 19 Well No. 2 located in Unit F of Section 19, Township 26 South, Range 32 East, North Mason-Delaware Pool, Lea County, New Mexico.
- CASE 3905: Application of Texas Pacific Oil Company 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 in the open-hole interval from approximately 12,269 feet to 12,541 feet in its State "O" Well No. 1 located in Unit J of Section 15, Township 10 South, Range 36 East, South Crossroads-Devonian Pool, Lea County, New Mexico.