



SKELLY OIL COMPANY

P. O. BOX 1650

TULSA, OKLAHOMA 74102

APR 30 1969

PRODUCTION DEPARTMENT

C. L. BLACKSHER, VICE PRESIDENT
W. P. WHITMORE, MGR. PRODUCTION
GEORGE W. SELINGER, MGR. CONSERVATION
D. E. SMITH, MGR. TECHNICAL SERVICES
J. R. TEEL, MGR. JOINT OPERATIONS

April 29, 1969

Re: West Dollarhide Drinkard Unit
Dollarhide Tubb-Drinkard Pool
Lea County, New Mexico

Case 4133

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

Attention: Mr. A. L. Porter

Gentlemen:

We are attaching original and three copies of our application for approval of the West Dollarhide Drinkard Unit. We are also enclosing original and three copies of our application for permission to conduct a secondary recovery project on said Unit. In addition to the Unit Agreement and exhibits mentioned in the applications, we are attaching a list of names and addresses of working interest owners, royalty interest owners, and overriding royalty interest owners within the unit area, as well as a list of names and addresses of lessees within two miles of the proposed injection wells who are not working interest owners within the unit area.

Please set this matter down for hearing for the second Examiner hearing in May, which we understand will be May 21, 1969.

Yours very truly,

RJJ:ll
Attach.

cc-Mr. L. C. White, Attorney w/attach. (applications only)

CELEBRATING OUR



50th ANNIVERSARY

DOCKET *revised*

5-9-69
Date *revised*

BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION

IN THE MATTER OF THE APPLICATION OF SKELLY OIL)
COMPANY FOR APPROVAL OF A UNIT AGREEMENT FOR THE)
WEST DOLLARHIDE DRINKARD UNIT IN THE DOLLARHIDE)
TUBB-DRINKARD POOL, LEA COUNTY, NEW MEXICO.)

CASE NO. 4133

FILED _____

HEARING _____

A P P L I C A T I O N

Comes now Skelly Oil Company on behalf of itself and others and respectfully states as follows:

1. That it is an owner and operator of wells in the West Dollarhide Drinkard Unit Area of the Dollarhide Tubb-Drinkard Pool, Lea County, New Mexico.

2. That in order to conduct secondary recovery operations and to increase the amount of ultimate recovery, and thereby aid in the conservation of oil and gas, and in order to protect the correlative rights of all parties in the Unit Area, it is necessary and advisable that the West Dollarhide Drinkard Unit in the Dollarhide Tubb-Drinkard Pool be established and approved.

3. That the area to be included in this Unit is described as follows:

Township 24 South, Range 38 East

NW/4 and W/2 NE/4 and NW/4 SW/4 and E/2 SW/4 and NW/4 SE/4 and S/2 SE/4 of Section 19,
SW/4 SW/4 of Section 20,
SE/4 SW/4 and SW/4 SW/4 and Lot 4 of Section 28,
NW/4 NW/4 and S/2 NW/4 and SW/4 NE/4 and S/2 of Section 29,
E/2 W/2 and E/2 of Section 30,
E/2 NW/4 and NE/4 and NE/4 SW/4 and N/2 SE/4 and SE/4 SE/4 of Section 31,
All of Section 32,
W/2 and Lots 1, 2, 3, and 4 of Section 33,

Township 25 South, Range 38 East

SW/4 NW/4 and SE/4 NW/4 and Lots 1, 2, 3, and 4 of Section 4,
S/2 N/2 and NE/4 SE/4 and Lots 1, 2, 3, and 4 of Section 5,
Lot 1 of Section 6,
All in Lea County, New Mexico

and containing 3,533.52 acres, more or less, of fee, federal and state lands.

4. That the formation sought to be unitized is the Tubb-Drinkard Formation underlying the Unit Area, the same being the heretofore established underground reservoir which has been found to occur between the depths of 5,950 feet and 7,367 feet in Skelly Oil Company's Mexico "L" No. 3 well (1,980' FEL and 660' FNL of Section 5-T25S-R38E, Lea County, New Mexico) as indicated by Schlumberger's electrical log, run No. 1, taken April 13, 1952, said log being measured from a derrick floor elevation of 3,168 feet above sea level.

5. That attached hereto and made a part hereof by reference is a copy of the Unit Agreement for the development and operation of the West Dollarhide Drinkard Unit, and that contained in said Agreement as Exhibit A is a map showing the Unit Area, and as Exhibit B is a schedule of tracts.

WHEREFORE, PREMISES CONSIDERED, applicant prays that this Commission, after the giving of notice as required by law, set this application down for hearing, and that at the conclusion of said hearing based on the evidence adduced approve the Unit Agreement for the West Dollarhide Drinkard Unit, and for such other orders, rules and regulations as may be necessary in the premises.

Respectfully submitted,

SKELLY OIL COMPANY
George W. Selinger
Ronald J. Jacobs
Charles C. Chastain
Its Attorneys

George W. Selinger

Of Counsel:
L. C. White
White, Gilbert, Koch & Kelly
P. O. Box 787
Santa Fe, New Mexico



SKELLY OIL COMPANY

P. O. BOX 1650

TULSA, OKLAHOMA 74102

PRODUCTION DEPARTMENT

C. L. BLACKSHER, VICE PRESIDENT

W. P. WHITMORE, MGR. PRODUCTION
GEORGE W. SELINGER, MGR. CONSERVATION
D. E. SMITH, MGR. TECHNICAL SERVICES
J. R. TEEL, MGR. JOINT OPERATIONS

May 6, 1969

Re: Amended Waterflood Application
West Dollarhide-Drinkard Unit
Lea County, New Mexico

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

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

Gentlemen:

We are attaching original and three copies of our Amended Application to conduct waterflood operations on the West Dollarhide-Drinkard Unit. There were some errors in the original application and we, therefore, are filing an amended application in Case No. 4134.

Throughout the original application the name of the pool was called West Dollarhide Tubb-Drinkard Pool, whereas the correct name of the pool is the Dollarhide Tubb-Drinkard Pool. Also, in the original application the name of the unit was referred to as the West Dollarhide Tubb-Drinkard Unit, whereas the correct name is the West Dollarhide-Drinkard Unit.

Also, there are changes in the description in the unit area as contained in the waterflood application and these changes are reflected in the amended application. In Paragraph 8 of the original application the words "Ogalalla formation" have been changed to "Jal Water System."

Yours very truly,

RJJ:br
Attach. 4

cc-Mr. L. C. White, Attorney w/ attach. 1
P. O. Box 787
Santa Fe, New Mexico 87501

YAA
file in Case 4133 & 4134
- ad is OK -

CELEBRATING OUR



50th ANNIVERSARY

BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION

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IN THE MATTER OF THE APPLICATION OF SKELLY OIL)
 COMPANY FOR AN ORDER AUTHORIZING THE INJECTION)
 OF FLUID FOR SECONDARY RECOVERY PURPOSES INTO)
 THE DOLLARHIDE TUBB-DRINKARD POOL ON THE WEST)
 DOLLARHIDE-DRINKARD UNIT LOCATED IN ALL OR)
 PORTIONS OF SECTIONS 19, 20, 28, 29, 30, 31,)
 32 AND 33, TOWNSHIP 24 SOUTH, RANGE 38 EAST;)
 AND SECTIONS 4, 5 AND 6, TOWNSHIP 25 SOUTH,)
 RANGE 38 EAST, LEA COUNTY, NEW MEXICO, AND)
 FOR THE PROMULGATION OF SPECIAL RULES GOVERN-)
 ING THE OPERATION OF SAID UNIT.)

CASE NO. 4134
 FILED _____
 HEARING _____

AMENDED APPLICATION

Comes now Skelly Oil Company and alleges and states:

1. That it is the operator of the West Dollarhide-Drinkard Unit containing 3,533.52 acres of federal, state and fee lands described as follows:

Township 24 South, Range 38 East

The NW/4, the W/2 NE/4, the NW/4 SE/4, the S/2 SE/4,
 the SE/4 SW/4, and the N/2 SW/4 of Section 19,
 The SW/4 SW/4 of Section 20,
 The S/2 S/2 of fractional Section 28,
 The NW/4 NW/4, the S/2 NW/4, the SW/4 NE/4, and
 the S/2 of Section 29,
 The E/2 W/2 and the E/2 of Section 30,
 The E/2 NW/4, the NE/4, the NE/4 SW/4, the N/2 SE/4,
 and the SE/4 SE/4 of Section 31,
 All of Section 32,
 All of fractional Section 33;

Township 25 South, Range 38 East

The N/2 of fractional Section 4,
 The N/2 and the NE/4 SE/4 of Section 5, and
 The NE/4 NE/4 of Section 6

All in Lea County, New Mexico

2. That an application for approval of the Unit Agreement for said Unit has been filed with this Commission.

3. That in order to carry out the secondary recovery operations as contemplated by the Unit Agreement, to prevent waste and to recover oil and associated hydrocarbons which would not otherwise be recovered, applicant desires to inject fluid into certain wells within the unit area for injection into the West Dollarhide-Drinkard Unit, pursuant to Rule 701 of this Commission.

4. That applicant proposes to convert the following 43 wells and utilize same for injection purposes:

<u>COMPANY</u>	<u>LEASE</u>	<u>WELL #</u>	<u>LOCATION</u>
			<u>UNIT SEC-T-R</u>
Texaco Inc.	Paul Stephens	2	D 19-24-38
Texaco Inc.	E. M. Byers	1	L 19-24-38
Texaco Inc.	United Royalty "A"	3	F 19-24-38
Texaco Inc.	United Royalty "A"	5	N 19-24-38
Sinclair Oil & Gas Company	McClure Fed.	21	B 19-24-38
Sinclair Oil & Gas Company	McClure Fed.	19	J 19-24-38
Sinclair Oil & Gas Company	McClure Fed.	18	P 19-24-38
Ralph Lowe	F. Hair	1	F 30-24-38
Sinclair Oil & Gas Company	L. E. Vance	1	N 30-24-38
Sinclair Oil & Gas Company	McClure Fed.	1	P 30-24-38
Sinclair Oil & Gas Company	McClure Fed.	5	J 30-24-38
Sinclair Oil & Gas Company	McClure Fed.	8	H 30-24-38
Sinclair Oil & Gas Company	McClure Fed.	16	B 30-24-38
Skelly Oil Company	Mexico "K"	1	P 29-24-38
Skelly Oil Company	Mexico "K"	4	N 29-24-38
Skelly Oil Company	Mexico "K"	6	L 29-24-38
Skelly Oil Company	Mexico "K"	9	J 29-24-38

(Continued)			
<u>COMPANY</u>	<u>LEASE</u>	<u>WELL #</u>	<u>LOCATION</u> <u>UNIT SEC-T-R</u>
Skelly Oil Company	Mexico "K"	13	F 29-24-38
Skelly Oil Company	Mexico "K"	15	D 29-24-38
* Gulf Oil Corporation	Ramsey "D"	2	N 28-24-38
* Gulf Oil Corporation	Leonard "I"	2	F 33-24-38
Gulf Oil Corporation	Leonard "G"	11	D 33-24-38
Gulf Oil Corporation	Leonard "G"	14	L 33-24-38
* Gulf Oil Corporation	Leonard "G"	15	N 33-24-38
Skelly Oil Company	Mexico "J"	7	L 32-24-38
Skelly Oil Company	Mexico "J"	9	J 32-24-38
Skelly Oil Company	Mexico "J"	16	P 32-24-38
Skelly Oil Company	Mexico "J"	20	N 32-24-38
Pan American	State "Y"	11	H 32-24-38
Pan American	State "Y"	8	F 32-24-38
Pan American	State "Y"	10	B 32-24-38
Pan American	State "Y"	6	D 32-24-38
Texaco Inc.	J. B. McGhee	6	J 31-24-38
Texaco Inc.	J. B. McGhee	7	P 31-24-38
Elliott Production	Elliott "H"	7	B 31-24-38
Elliott and Hall	Elliott "R"	1	H 31-24-38
Sunshine Royalty	Elliott Fed.	1	F 31-24-38
Skelly Oil Company	Mexico "L"	15	D 5-25-38
Skelly Oil Company	Mexico "L"	17	B 5-25-38
Skelly Oil Company	Mexico "L"	18	H 5-25-38
Skelly Oil Company	Mexico "L"	20	F 5-25-38
* Gulf Oil Corporation	Leonard "G"	12	F 4-25-38
Gulf Oil Corporation	Leonard "G"	19	D 4-25-38

All in Lea County, New Mexico

*Conversion of these four wells will be temporarily delayed until lease line agreements are made.

5. That attached hereto and made a part hereof is a map, labeled Exhibit "A", which shows the location of the proposed injection wells and the location of all other wells within a radius of two miles from said proposed injection wells, and the formation from which said wells are producing, and that also indicated on said exhibit are the lessees within said two-mile radius.

6. That attached hereto and made a part hereof is Exhibit "F" which contains the diagrammatic sketches of the proposed injection wells showing the casing strings, including diameter and setting depths, quantities used and top of cement, perforated or open hole intervals, tubing strings, including diameters and setting depths, and the type and location of packers.

7. That the formation sought to be waterflooded and into which injection will be made is the Dollarhide Tubb-Drinkard Formation underlying the Unit Area, the same being the heretofore established underground reservoir which has been found to occur between the depths of 5,950 feet and 7,367 feet in Skelly Oil Company's Mexico "L" No. 3 well in Section 5, Township 25 South, Range 38 East, Lea County, New Mexico.

8. That the fluid sought to be injected is water, and the anticipated volumes to be injected are 900 - 1,000 BWPD, and that the source of said injection fluid is water produced from the Unit Area wells and Skelly's Jal Water System from the Seven Rivers Formation and Capitan Reef.

WHEREFORE, PREMISES CONSIDERED, applicant prays that this Commission, after the giving of notice as required by law, set this matter down for hearing, and that at the conclusion of said hearing based on the evidence adduced enter its order granting the applicant permission to conduct a waterflood project on the West Dollarhide-Drinkard Unit by utilizing as injection wells the wells above described, with said secondary recovery project to be governed by the provisions of

Rule 701, for permission to expand or change the waterflood program by administrative means without the necessity of a separate hearing, for appropriate field rules if necessary, and for such other orders, rules and regulations as may be necessary in the premises.

Respectfully submitted,

SKELLY OIL COMPANY

By _____
George W. Selinger

By  _____
Ronald J. Jacobs
Its Attorneys

Of Counsel:
Mr. L. C. White
White, Gilbert, Koch & Kelly
P. O. Box 787
Santa Fe, New Mexico 87501