

CASE 2513: Application of SKELLY for  
secondary recovery project, Gallegos-  
Gallup Oil Pool, San Juan County.

- Q 52 / 10.

2513

ation, Transcript,  
all Exhibits, Etc.

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

March 6, 1963

C  
O  
P  
Y  
  
Mr. George W. Selinger  
Skelly Oil Company  
Post Office Box 1650  
Tulsa 2, Oklahoma

Dear Mr. Selinger:

Reference is made to your letter of March 1, 1963, regarding your Gallegos-Gallup Waterflood Project and the allowable assignable thereto.

A review of our file relating to this flood indicates that we probably failed to notify you as to the maximum allowable this pilot project will be eligible to receive under Rule 701-E.

According to our calculations, when all six of the authorized injection wells were placed on active injection, the maximum allowable which the wells in the project area (which comprises the SW/4 Section 1, S/2 Section 2, E/2 SE/4 Section 3, E/2 NE/4 and NE/4 SE/4 Section 10, N/2 and N/2 S/2 Section 11, and NW/4 and N/2 SW/4 Section 12) became eligible to receive under the provisions of Rule 701-E-3 is 1050 barrels per day. At the present time the total allowable actually assigned to the wells in the project area totals some 24 barrels per day.

As to the Northwest New Mexico Area Allowable Factor being less than the current top allowable, you will recall that the factor of 52 was adopted in November, 1959, and was based on an average of all previous monthly allowables. It is contemplated that we

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

-2-

Mr. George W. Selinger  
Skelly Oil Company  
Post Office Box 1650  
Tulsa 2, Oklahoma

will ask the Commission to consider revising the allowable factor  
in the future.

Very truly yours,

DANIEL S. NUTTER  
Chief Engineer

DSN/ir

cc: Case File 2513

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# SKELLY OIL COMPANY

P. O. Box 1650  
TULSA 2, OKLAHOMA

## PRODUCTION DEPARTMENT

C. L. BLACKSHER, VICE PRESIDENT  
W. P. WHITMORE, MGR. PRODUCTION  
W. D. CARSON, MGR. TECHNICAL SERVICES  
ROBERT G. HILTZ, MGR. JOINT OPERATIONS  
GEORGE W. SELINGER, MGR. CONSERVATION

March 1, 1963

Re: Gallegos Gallup Oil Pool

Mr. A. L. Porter, Jr.  
New Mexico Oil Conservation Commission  
P. O. Box 871  
Santa Fe, New Mexico

Dear Mr. Porter:

As you will recall in Case Nos. 2512 and 2513 the Oil Conservation Commission issued its Order Nos. R-2207 and R-2220 respectively, in regards to our waterflood project in the Gallegos Gallup Oil Pool which project is governed by provisions of Rule 701 of the Commission's rules and regulations including those provisions regarding allocation of allowables.

Under this proposal the daily per well allowable would be 70 barrels of oil per day. For the past several years the top allowable for the Gallegos Gallup has been 94 barrels of oil per day, and consequently in effect we are being penalized for initiating a waterflood project.

We, therefore, respectfully request an exception to Sub-paragraph 4 of Paragraph E of Rule 701, so as to permit the assignment of the top allowable for the Gallegos Gallup, which is 94 barrels of oil per day for the wells in the waterflood project.

Yours very truly,

GWS:br

Case 2513

Heard. 3-28-62

Res. 4-4-62

1. Grant Skelly's request for the Gallegos Pilot water flood.
2. Shall be governed by Rule 201.

3. Approve 6 injection wells:

|                    |                        |
|--------------------|------------------------|
| Skelly. Haddard #6 | O-2-26-12              |
| " " #7             | M-1-26-12              |
| " " #8             | M-2-26-12              |
| " " #9             | E- <del>B</del> -26-12 |
| " Harjo F #2       | E-12-26-12             |
| " " J #2           | G-11-26-12             |

4. Source of water will be the Ogish Alamo in the area.

Frank G. W.

WORKING INTEREST OWNERS

GALLAGHER-GALLUP SAND UNIT

100-2-13  
MAIN OFFICE OCC

1962 FEB 14 AM 8:22

Edward Arcaro  
3825 Willat Avenue  
Culver City, California

Benson-Montin-Greer Drilling Company  
2808 First National Building  
Oklahoma City 2, Oklahoma

Compass Exploration, Inc.  
101 University Blvd.  
Denver 2, Colorado

John C. Dana  
1913 Fifteenth Street  
Lubbock, Texas

Delhi Taylor Oil Corporation  
Union Fidelity Tower Building  
Dallas, Texas

Walter Duncan  
Box 137  
Durango, Colorado

Elmer E. Elliott  
433 South Lincoln Street  
Santa Maria, California

El Paso Natural Gas Products Company  
P. O. Box 1161  
El Paso, Texas

Mr. Glen F. Featherstone  
Hoswell Petroleum Building  
Hoswell, New Mexico

Frontier Refining Company  
4040 East Louisiana Avenue  
Denver 22, Colorado

Gulf Oil Corporation  
P. O. Box 2097  
Denver 1, Colorado

Ernest A. Hanson  
P. O. Box 852  
Hoswell, New Mexico

J. Felix Hickman  
4401 Constitution NE  
Albuquerque, New Mexico

Hidden Splendor Mining Company  
2000 National Bank of Tulsa Building  
Tulsa 3, Oklahoma

William H. Hudson  
1126 Mercantile Securities Building  
Dallas, Texas

O. J. Lilly  
P. O. Box 185  
Farmington, New Mexico

Lion Oil Company  
1310 Denver Club Building  
Denver 2, Colorado

W. L. Lynch  
2010 Fidelity Union Building  
Dallas, Texas

J. C. Man, Jr.  
1010 City National Bank Building  
Wichita Falls, Texas

E. W. Mudge, Jr.  
Republic National Bank Building  
Dallas, Texas

The Oklahoma Oil Company  
4457 Gunnison Street  
Chicago, Illinois

Pan American Petroleum Corporation  
P. O. Box 1410  
Ft. Worth, Texas

Petro-Atlas, Inc.  
2000 National Bank of Tulsa Building  
Tulsa 3, Oklahoma

James R. Pickett

Working Interest Owners  
Gallegos-Gallup Sand Unit  
Page 2

Shiprock Industries, Inc.  
2000 National Bank of Tulsa Building  
Tulsa 3, Oklahoma

Skelly Oil Company  
P. O. Box 1650  
Tulsa 2, Oklahoma

Southwest Production Company  
3108 Southland Center  
Dallas 1, Texas

Mr. John F. Sullivan  
3825 Millat Avenue  
Culver City, California

Sunray Mid-Continent Oil Company  
P. O. Box 2039  
Tulsa 2, Oklahoma

Terneco Oil Company  
P. O. Box 1031  
Midland, Texas

Texas National Petroleum Company  
902 South Coast Life Building  
Houston 2, Texas

Vinson Truck  
Robert E. Vinson, Trustee  
Box 2289  
Wichita Falls, Texas

Western Development Company of Delaware  
825 Petroleum Club Building  
Denver 2, Colorado

Horace E. White  
430 First National Bank Building  
Abilene, Texas



**GILBERT, WHITE AND GILBERT**

ATTORNEYS AND COUNSELORS AT LAW

BISHOP BUILDING

SANTA FE, NEW MEXICO

CARL H. GILBERT  
L. C. WHITE  
WILLIAM W. GILBERT  
SUMNER S. KOCH  
WILLIAM B. KELLY

February 7, 1962

RECEIVED  
1962 FEB 14 AM 8:22

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

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

Re: Gallagor-Gallup Unit and  
Secondary Recovery Project,  
San Juan County, New Mexico

Gentlemen:

The undersigned herewith enters his appearance as resident  
counsel for Shelly Oil Company in its application for approval  
of the Gallagor-Gallup Unit and Secondary Recovery Project,  
San Juan County, New Mexico, as more fully appears from their  
application filed herewith.

Very truly yours,

*L. C. White*

L. C. WHITE  
P. O. Box 787  
Santa Fe, New Mexico

LCW/ab



60-2513  
MAIN OFFICE OCC

# SKELLY OIL COMPANY

P. O. Box 1650

TULSA 2, OKLAHOMA

February 12, 1962

## PRODUCTION DEPARTMENT

C. L. BLACKSHER, VICE PRESIDENT

W. P. WHITMORE, MGR. PRODUCTION

W. D. CARSON, MGR. TECHNICAL SERVICES

ROBERT G. HILTZ, MGR. JOINT OPERATIONS

GEORGE W. SELINGER, MGR. CONSERVATION

1962 FEB 14 AM 8:22

Re: Secondary Recovery  
Gallegos-Gallup Pool  
San Juan County, New Mexico

Mr. A. L. Porter, Jr., Secretary-Director  
Oil Conservation Commission  
P. O. Box 871  
Santa Fe, New Mexico

Dear Mr. Porter:

We are enclosing, in triplicate, application for authority to conduct secondary recovery operations in the Gallegos-Gallup Pool, San Juan County, New Mexico.

Will you please have this application set for an Examiner Hearing in March, and we would like to have it heard at the same time as our application for approval of the Gallegos-Gallup Sand Unit Agreement.

We are enclosing, for your information, a list of names and addresses of the operators of wells, and lessees within the unit area. This list, also, contains the names and addresses of operators of wells, and lessees within a 2-mile radius of the proposed pilot area injection wells.

We are, also, enclosing a letter from Mr. L. C. White of Gilbert, White and Gilbert, Santa Fe, New Mexico, stating that they are resident counsel in this application.

Very truly yours,

*George W. Selinger*

RJJ:br  
Attach.

cc: Mr. L. C. White  
Gilbert, White and Gilbert  
Bishop Building  
Santa Fe, New Mexico

*Cochet  
Mailed  
3/19/62*

DOCKET: EXAMINER HEARING - WEDNESDAY - MARCH 28, 1962

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

The following cases will be heard before Elvis A. Utz, Examiner, or Daniel S. Nutter, as alternate examiner:

Cases 2515 through 2519 will not be heard before 1:00 P.M.

- CASE 2507: Application of Union Oil Company of California for an order creating a new oil pool, establishing special rules and regulations for said pool, and contracting the Anderson Ranch-Wolfcamp Pool, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order creating a new oil pool to be designated the North Anderson Ranch-Wolfcamp Pool and comprising portions of Sections 28, 32 and 33, Township 15 South, Range 32 East, and Lots 1, 2, 7 and 8 of Section 2, Township 16 South, Range 32 East, Lea County, New Mexico. Applicant proposes the promulgation of special rules and regulations to govern said pool, including a provision for 80-acre proration units; it is further proposed that the Anderson Ranch-Wolfcamp Pool be contracted by the deletion of the SE/4 and S/2 SW/4 of Section 28, E/2 SE/4 of Section 32 and W/2 and NE/4 of Section 33, Township 15 South, Range 32 East, and Lots 1, 2, 7 and 8 of Section 2, Township 16 South, Range 32 East.
- CASE 2508: Application of Westates Petroleum Company for assignment of special allowables to four wells, Lea County, New Mexico. Applicant, in the above-styled cause, pursuant to Order No. R-1776, seeks an order extending the period within which its Carlson-Federal "B" Wells Nos. 2, 3, 4 and 5, located in Section 25, Township 25 South, Range 37 East, Lea County, New Mexico, are assigned a special allowable not to exceed top unit allowable for the Justis Tubb-Drinkard Pool.
- CASE 2509: Application of Amerada Petroleum Corporation for approval of the Langlie Mattix Woolworth Unit Agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Langlie Mattix Woolworth Unit Agreement embracing 2559.48 acres of Federal and fee lands within Sections 27, 28, 33 and 34, Township 24 South, Range 37 East, Lea County, New Mexico.

- CASE 2510: Application of Texaco, Inc. for an exception to Rule 107 (e), Lea County, New Mexico. Applicant, in the above-styled cause, seeks an exception to Rule 107 (e) authorizing the completion of its K. F. Quail-Federal Well No. 1, located 2086 feet from the South line and 556 feet from the West line of Section 1, Township 20 South, Range 34 East, Lea County, New Mexico, as a 2 7/8-inch tubingless completion below the depth of 5,000 feet.
- CASE 2511: Application of Texaco, Inc. for an order pooling all mineral interests in the Basin-Dakota and Blanco-Mesaverde Pools in the W/2 of Section 12, Township 30 North, Range 12 West, San Juan County, New Mexico. Interested parties include Pan American Petroleum Corporation, Southwest Production Company and Tidewater Oil Company.
- CASE 2512: Application of Skelly Oil Company for approval of the Gallegos-Gallup Sand Unit Agreement, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Gallegos-Gallup Sand Unit Agreement embracing 22,997.51 acres, more or less, of Federal, State, Indian and fee lands in portions of Townships 26 and 27 North, Ranges 11, 12 and 13 West, San Juan County, New Mexico.
- CASE 2513: Application of Skelly Oil Company for a secondary recovery project, Gallegos-Gallup Oil Pool, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks permission to institute a secondary recovery project in the Gallegos-Gallup Oil Pool in an area underlying its proposed Gallegos-Gallup Sand Unit Area, comprising 22,997.51 acres, more or less, in portions of Townships 26 and 27 North, Ranges 11, 12 and 13 West, San Juan County, New Mexico, the injection of water initially to be through six wells located in Sections 1, 2, 11 and 12, Township 26 North, Range 12 West and the project to be governed by the provisions of Rule 701.
- CASE 2514: Application of Skelly Oil Company for approval of the West Dollarhide Queen Sand Unit Agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of the West Dollarhide Queen Sand Unit Agreement embracing 2562.52 acres, more or less, of Federal, State and fee lands in Sections 19, 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.

The following cases will not be heard before 1:00 P.M.

- CASE 2515: Application of D. W. Falls, Inc. for the assignment of a special temporary deliverability for allowable purposes to its Federal Well No. 2-11, located 1190 feet from the South line and 2210 feet from the East line of Section 11, Township 28 North, Range 13 West, San Juan County, New Mexico, which well is completed in the Basin-Dakota Gas Pool. Applicant proposes that the deliverability to be assigned to said well be the average deliverability of all gas wells in the Basin-Dakota Gas Pool.
- CASE 2516: Application of Pan American Petroleum Corporation for a pressure maintenance project, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks permission to institute a pressure maintenance project on its Gallegos Canyon Unit Area, San Juan County, New Mexico, in the Cha Cha-Gallup Oil Pool, with the injection of water initially to be through two wells located in Section 28, Township 28 North, Range 13 West, and requests adoption of special rules to govern the operation of said project.
- CASE 2517: Application of Pan American Petroleum Corporation for a unit agreement and a pressure maintenance project, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Southeast Cha Cha Unit Agreement embracing Federal, State and fee lands in portions of Sections 7, 8, 9, 10, 15, 16, 17, 18, 20, 21, 22 and 27, Township 28 North, Range 13 West, and Sections 30, 31, 32 and 33, Township 29 North, Range 13 West, San Juan County, New Mexico. Applicant further seeks authority to institute a unit-wide pressure maintenance project by the injection of water into the Gallup formation through 10 wells located within said unit and requests adoption of special rules to govern the operation of said project.
- CASE 2518: Application of Humble Oil & Refining Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks permission to complete its D. H. Crockett Well No. 1, located in Unit C of Section 21, Township 18 South, Range 26 East, Lea County, New Mexico, as a dual completion (conventional) in the Caudill Permian-Pennsylvanian and Caudill-Devonian Pools with the production of oil from

the Devonian zone to be through a string of 2 3/8-inch tubing and the production of oil from the Permo-Pennsylvanian zone to be through a parallel string of 1 1/4-inch tubing.

CASE 2519:

Application of The Atlantic Refining Company for a unit agreement, a pressure maintenance project and the reclassification of two wells, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Horseshoe-Gallup Unit Agreement embracing 20,925.58 acres, more or less, of Federal, State, Indian and fee lands in Townships 30 and 31 North, Ranges 16 and 17 West, San Juan County, New Mexico. Applicant further seeks permission to institute a pressure maintenance project in the proposed Horseshoe-Gallup Unit Area with water to be injected into the Gallup formation through 112 wells located in said unit, and requests adoption of special rules to govern the operation of said project. Applicant further seeks the reclassification of two wells located in the proposed unit area from Verde-Gallup Oil Pool wells to Horseshoe-Gallup Oil Pool wells, the Verde-Gallup Oil Pool to be contracted by the deletion of the NE/4 NE/4 of Section 2, Township 30 North, Range 16 West, and the SW/4 SW/4 of Section 36, Township 31 North, Range 16 West, said acreage to be included in the Horseshoe-Gallup Oil Pool.

CLASS OF SERVICE

This is a fast message unless its deferred character is indicated by the proper symbol.

# WESTERN UNION TELEGRAM

W. P. MARSHALL, PRESIDENT

SYMBOLS

DL=Day Letter  
NL=Night Letter  
LA=International Letter Telegram

MAIN OFFICE 000

Time of receipt is LOCAL TIME at point of destination

LA 164  
1962 MAR 27 AM 9:45  
L BVAZ 17 PB FAX DENVER COLO 26 406P MST=

OIL CONSERVATION COMMISSION=

STATE LAND OFFICE BLDG SANTA FE NMEX=

RE CASE 2512 AND CASE 2513 ATTN ELVIS A UTZ  
EXAMINER GULF OIL CORP SUPPORTS THE APPLICATION OF  
SKELLY OIL CO FOR APPROVAL OF GALLEGOS GALLUP SAND  
UNIT AGREEMENT AND THE SECONDARY RECOVERY PROJECT  
FOR THE GALLEGOS GALLUP POOL=

C D BORLAND PRODUCTION MGR GULF OIL CORP  
PO BOX 2097 DENVER COLO.

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

*Teik*

TEXACO  
INC.

1962 MAR 23 AM 11

PETROLEUM PRODUCTS

DOMESTIC PRODUCING DEPARTMENT

MIDLAND DIVISION



R. M. BISCHOFF, ASSISTANT DIVISION MANAGER

*Mar. 28<sup>th</sup>  
Jensen*

*com*

P. O. BOX 8109  
MIDLAND, TEXAS

March 23, 1962

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

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

Gentlemen:

Reference is made to Case No. 2513 concerning the application of Skelly Oil Company for approval of the West Dollarhide Queen Sand Unit Agreement, Lea County, New Mexico. Texaco Inc. will be a working interest owner in the proposed unit and wishes to go on record in concurrence with Skelly Oil Company's application. Texaco respectfully urges that the Commission approve Skelly's application as submitted.

Yours very truly,

*R. M. Bischoff*

CRB-MM



GOVERNOR  
EDWIN L. MECHEM  
CHAIRMAN

State of New Mexico  
Oil Conservation Commission

LAND COMMISSIONER  
E. S. JOHNNY WALKER  
MEMBER



STATE GEOLOGIST  
A. L. PORTER, JR.  
SECRETARY - DIRECTOR

P. O. BOX 871  
SANTA FE

April 19, 1962

Re: CASE NO. 2513

ORDER NO. R-2220

APPLICANT:

Skelly Oil Company

Mr. George Selinger  
Skelly Oil Company  
P. O. Box 1650  
Tulsa 2, Oklahoma

Dear Sir:

Enclosed herewith are two copies of the above-referenced  
Commission order recently entered in the subject case.

Very truly yours,

*A. L. Porter, Jr.*

A. L. PORTER, JR.  
Secretary-Director

ir/

Carbon copy of order also sent to:

Hobbs OCC x

Artesia OCC       

Aztec OCC x

OTHER Mr. Charlie White

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. 2513  
Order No. R-2220

APPLICATION OF SKELLY OIL COMPANY  
FOR A WATERFLOOD PROJECT, GALLEGOS-  
GALLUP OIL POOL, SAN JUAN COUNTY,  
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on March 28, 1962, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 18th day of April, 1962, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, 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 permission to institute the Gallegos-Gallup Sand Unit Waterflood Project in the Gallegos-Gallup Oil Pool by the injection of water initially through six wells located within said unit in Township 26 North, Range 12 West, NMPM, San Juan County, New Mexico.

(3) That the proposed waterflood project should be authorized and should be governed by the provisions of Rule 701 of the Commission Rules and Regulations, including those provisions regarding allocation of allowables.

IT IS THEREFORE ORDERED:

(1) That the applicant, Skelly Oil Company, is hereby authorized to institute the Gallegos-Gallup Sand Unit Waterflood Project in the Gallegos-Gallup Oil Pool by the injection of water initially through the following-described wells:

Skelly-Goddard Well No. 6, located in Unit 0  
of Section 2;

-2-  
CASE No. 2513  
Order No. R-2220

Skelly-Goddard Well No. 7, located in Unit M  
of Section 1;

Skelly-Goddard Well No. 8, located in Unit M  
of Section 2;

Skelly-Goddard Well No. 9, located in Unit E  
of Section 11;

Skelly-Navajo "F" Well No. 2, located in Unit E  
of Section 12; and

Skelly-Navajo "J" Well No. 2, located in Unit G  
of Section 11;

all in Township 26 North, Range 12 West, NMPM, San Juan County,  
New Mexico.

(2) That the operation of the waterflood project herein  
authorized shall be governed by the provisions of Rule 701 of  
the Commission Rules and Regulations, including those provisions  
regarding allocation of allowables.

(3) That monthly progress reports of the waterflood project  
herein authorized shall be submitted to the Commission in accord-  
ance with Rules 704 and 1119 of the Commission Rules and Regula-  
tions.

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

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION



*E. L. Mechem*

EDWIN L. MECHEM, Chairman

*E. S. Walker*  
E. S. WALKER, Member

*A. L. Porter, Jr.*

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

esr/

GILBERT, WHITE AND GILBERT  
ATTORNEYS AT LAW  
SANTA FE, NEW MEXICO

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BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION

APPLICATION OF SKELLY OIL COMPANY  
FOR A SECONDARY RECOVERY PROJECT,  
GALLEGOS-GALLUP OIL POOL, SAN  
JUAN COUNTY, NEW MEXICO.

Case No. 2513

A P P E A R A N C E

Comes now L. C. WHITE of Gilbert, White and Gilbert, Santa Fe, New Mexico  
and herewith enters his formal appearance as local counsel for SKELLY OIL  
COMPANY in the above-captioned matter.

  
L. C. WHITE

BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION

MAIN OFFICE 000

IN THE MATTER OF THE APPLICATION OF)  
SKELLY OIL COMPANY FOR AUTHORITY TO)  
INJECT FLUID INTO THE GALLUP FORM- )  
ATION IN THE GALLEGOS-GALLUP FIELD, )  
SAN JUAN COUNTY, NEW MEXICO. )

CASE NO. 27973  
FILED                       
HEARING                     

1992 FEB 14 AM 8:22

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 oil and gas wells in the Gallegos-Gallup Field, San Juan County, New Mexico.

2. That it desires to conduct secondary recovery operations in this pool by injecting fluids into the Gallegos-Gallup Sand, which sand shall be construed to mean the sand and reservoir encountered in the drilling by Skelly Oil Company of its Navajo "F" No. 2 well between the depths of 4,815 feet and 5,096 feet as shown by the Schlumberger Electric Log of said well, which well is located in the SW/4 of the NW/4 of Section 12, Township 26 North, Range 12 West, San Juan County, New Mexico.

3. That applicant proposes to conduct secondary operations by injection of fluids into the Gallup Sand, above described, in an area known as the Gallegos-Gallup Unit, which Unit consists of portions of Townships 26 and 27 North, and Ranges 11, 12 and 13 West, San Juan County, New Mexico, which unit area contains 22,997.51 acres more or less, which area is more specifically set out on a map entitled "Exhibit A" attached hereto and made a part hereof by reference.

4. That initially, applicant proposes to inject fluid into six (6) wells located in Sections 1, 2, 11 and 12, Township 26 North, Range 12 West, San Juan County, New Mexico, and these wells being Skelly Oil Company's J. W. Goddard Wells #6, #7, #8, #9, and Navajo "F" Well #2, and Navajo "J" Well #2 are shown on the map marked "Exhibit A" above referred to. And further, after conducting pilot flood operations using these six (6) wells, and based on the information obtained from such pilot project, applicant desires to expand the secondary recovery project to include other wells within the unit area.

5. That attached hereto is a map marked "Exhibit A", above referred to, which shows the proposed injection wells for the pilot project, and the location of all wells and lessees within a 2-mile radius of said proposed injection wells.

6. That attached hereto and made a part hereof is "Exhibit B", which exhibit contains a description of the proposed injection wells' casing and cementing programs.

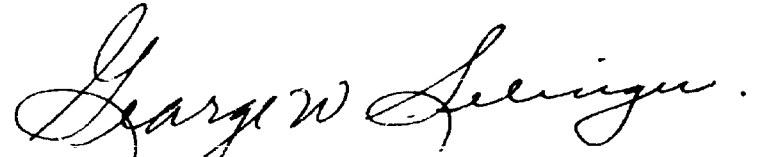
7. That applicant proposes to use, as injection fluid, fresh water from the Ojo Alamo Sand found at approximately a depth of 400 feet from the surface, and proposes to inject initially between 4,000 and 6,000 barrels of water per day.

8. That attached hereto is a copy of a marked electrical log for each of the proposed six (6) injection wells.

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 produced, that it issue an order authorizing applicant to inject fluid, and conduct secondary recovery operations within the Gallegos-Gallup Sand Unit by authorizing the injection of water into the six (6) wells in the pilot water flood area, provide for the expansion of the secondary recovery project without the necessity of further hearings, and other rules, regulations, and orders as may be necessary in the premises.

Respectfully submitted,

SKELLY OIL COMPANY

  
George W. Selinger  
Its Attorney

Of Counsel  
L. C. White  
Gilbert, White and Gilbert  
Santa Fe, New Mexico

**EL PASO NATURAL GAS PRODUCTS COMPANY**

POST OFFICE BOX 1181, EL PASO, TEXAS

March 26, 1962

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

Re: Case 2512

Gentlemen:

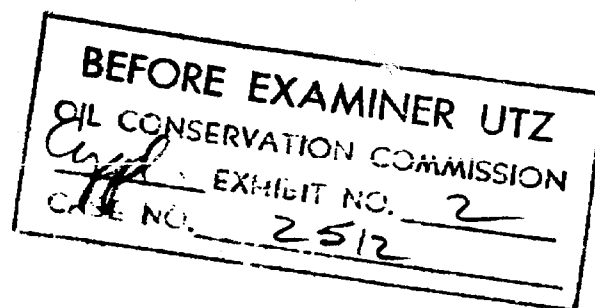
As the owner of 28.066% working interest in the acreage embraced by the proposed Callegos-Gallup Sand Unit Agreement, San Juan County, New Mexico, for which the Commission's approval is sought by Skelly Oil Company, as Unit Operator, in the above styled cause, El Paso Natural Gas Products Company urges that the Commission approve said Unit Agreement at the earliest possible date.

Very truly yours,

EL PASO NATURAL GAS  
PRODUCTS COMPANY

By W. T. Hollis  
W. T. Hollis, Manager  
Exploration & Production

WTH:JBM:sh



100-2013

CASING PROGRAM FOR PILOT FLOODWATER INJECTION WELLS

GALLEGOS GALLUP SAND UNIT

|                  | 10-3/4", 32.75#<br>8R, H-40, RT&C<br><u>Surface</u> | <u>Set at</u> | <u>Sacks<br/>Cement</u> | 5-1/2", 14#, 8R<br>J-55, RT&C<br><u>Production</u> | <u>Set at</u> | <u>Sacks<br/>Cement</u>  |
|------------------|---|---------------|-------------------------|--|---------------|--------------------------|
| J. W. Goddard #6 | 412'  | 426'          | 425                     | 5144'  | 5159'         | 125 + 125<br>Stratacrete |
| J. W. Goddard #7 | 388'  | 402'          | 450                     | 5238'  | 5252'         | 125 + 125<br>Stratacrete |
| J. W. Goddard #8 | 408'  | 422'          | 450                     | 5172'  | 5186'         | 125 + 114<br>Stratacrete |
| J. W. Goddard #9 | 416'  | 431'          | 450                     | 5220'  | 5234'         | 125 + 114<br>Stratacrete |
| Navajo "F" #2    | 412'  | 426'          | 475                     | 5130'  | 5145'         | 125 + 125<br>Stratacrete |
| Navajo "J" #2    | 422'  | 435'          | 500                     | 5172'  | 5186'         | 125 + 125<br>Stratacrete |

SKELLY OIL CO.

EXHIBIT NO. B