

Entered January 15, 1974
A.T.P.

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. 5139
Order No. R-4697

APPLICATION OF SKELLY OIL COMPANY
FOR A WATERFLOOD PROJECT,
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 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.
- (3) That the applicant further seeks a procedure whereby the subject project may be expanded by the conversion of additional wells to water injection within the boundaries of the above-described lease without the necessity for notice and hearing.
- (4) That the wells in the project area are in an advanced state of depletion and should properly be classified as "stripper" wells.
- (5) That the proposed waterflood project should result in the recovery of otherwise unrecoverable oil, thereby preventing waste.
- (6) That the applicant should take all steps necessary to ensure that the injected water enters only the proposed injection zones and is not permitted to escape to other formations or onto the surface from injection, production, or plugged and abandoned wells.
- (7) That the applicant proposes to treat the water to be injected to minimize corrosion.
- (8) That the subject application should be approved and the project should be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

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IT IS THEREFORE ORDERED:

(1) That the applicant, Skelly Oil Company, is hereby authorized to institute a waterflood project in the Lea "C" Lease, Grayburg-Jackson Pool, by the injection of water into the Grayburg-San Andres formation through the following-described wells in Section 11, Township 17 South, Range 31 East, NMPM, Eddy County, New Mexico:

Lea "C" Well No. 4 - Unit J

Lea "C" Well No. 7 - Unit F

Lea "C" Well No. 8 - Unit N

(2) That prior to initial injection of water into any of said injection wells, the operator shall obtain the approval of the supervisor of the Commission's Artesia District Office as to the casing and cementing of said well.

(3) That injection of treated water into each of said wells shall be through tubing, set in a packer which shall be located as near as practicable to the uppermost perforation, and that the casing-tubing annulus of each injection well shall be loaded with an inert fluid and equipped with an approved pressure gauge or attention-attracting leak detection device.

(4) That the operator shall immediately notify the supervisor of the Commission's Artesia District Office of the failure of the tubing or packer in any of said injection wells, the leakage of water or oil from around any producing well, or the leakage of water or oil from any plugged and abandoned well within the project area and shall take such timely steps as may be necessary or required to correct such failure or leakage.

(5) That the subject waterflood project is hereby designated the Skelly Lea "C" Waterflood Project and shall be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

(6) That monthly progress reports of the waterflood project herein authorized shall be submitted to the Commission in accordance with Rules 704 and 1120 of the Commission Rules and Regulations;


PROVIDED HOWEVER, that the Secretary-Director of the Commission may approve expansion of the above-described waterflood project to include such additional injection and producing wells at orthodox and unorthodox locations in said project as may be necessary to complete an efficient injection pattern, provided however, no such unorthodox location shall be closer than 330 feet to the outer boundary of the lease.


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


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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


I. R. TRUJILLO, Chairman


ALEX J. ARMIJO, Member


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

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