

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. 3547
Order No. R-3214

APPLICATION OF SKELLY OIL COMPANY
FOR A WATERFLOOD EXPANSION, EDDY
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on April 5, 1967, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 11th day of April, 1967, 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 by Order No. R-2900, the Commission authorized the institution of a waterflood project in the Grayburg-Jackson Pool in the Dow Unit Area (now designated Skelly Unit Area) by the injection of water into the Premier (Grayburg) and San Andres formations through six injection wells in Section 22, Township 17 South, Range 31 East, NMPM, Eddy County, New Mexico.

(3) That the applicant, Skelly Oil Company, seeks amendment of said Order No. R-2900 to expand the waterflood interval authorized therein to include the entire Grayburg-Jackson producing interval, to permit the conversion to water injection of 18 additional injection wells in Sections 14, 15, 22, 23, 26, and 27, Township 17 South, Range 31 East, NMPM, Eddy County, New Mexico, and the establishment of an administrative procedure whereby additional wells, within the said unit area, could be placed on water injection.

(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 expansion should result in the recovery of otherwise unrecoverable oil, thereby preventing waste.

(6) That approval of the subject application should increase the efficiency of the subject waterflood project, and otherwise prevent waste and protect correlative rights.

(7) That the subject application should be approved and the project as expanded should be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

IT IS THEREFORE ORDERED:

That Order No. R-2900 is hereby amended to read in its entirety as follows:

(1) That the applicant, Skelly Oil Company, is hereby authorized to effect a waterflood project in the Grayburg-Jackson Pool in the Skelly Unit Area by the selective injection of water into various zones throughout the entire Grayburg-Jackson producing interval through the following-described twenty-four wells:

EDDY COUNTY, NEW MEXICO
TOWNSHIP 17 SOUTH, RANGE 31 EAST, NMPM

Well	No.	Unit	Section
Skelly Unit -	105	F	14
Skelly Unit -	22	J	14
Skelly Unit -	24	L	14
Skelly Unit -	34	N	14
Skelly Unit -	19	F	15
Skelly Unit -	21	H	15
Skelly Unit -	26	J	15
Skelly Unit -	30	N	15
Skelly Unit -	32	P	15
Skelly Unit -	42	B	22
Skelly Unit -	44	F	22
Skelly Unit -	46	H	22
Skelly Unit -	52	J	22
Skelly Unit -	54	L	22
Skelly Unit -	56	N	22

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EDDY COUNTY, NEW MEXICO
TOWNSHIP 17 SOUTH, RANGE 31 EAST, NMPM (Cont.)

Well	No.	Unit	Section
Skelly Unit -	58	P	22
Skelly Unit -	38	B	23
Skelly Unit -	40	D	23
Skelly Unit -	48	F	23
Skelly Unit -	71	J	23
Skelly Unit -	73	L	23
Skelly Unit -	83	D	26
Skelly Unit -	85	B	27
Skelly Unit -	96	F	27

(2) That the subject waterflood project is hereby designated the Grayburg-Jackson Skelly Unit Waterflood Project and shall be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations;

PROVIDED HOWEVER, that the Secretary-Director of the Commission may approve expansion of the Grayburg-Jackson Skelly Unit Waterflood Project to include additional wells, within said unit area, on water injection as may be necessary to complete an efficient waterflood injection pattern.

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

(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 hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

DAVID F. CARGO, Chairman

GUYTON B. HAYS, Member

S E A L

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