

Entered May 11, 1973

A.P.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. 4948
Order No. R-4515

APPLICATION OF SKELLY OIL COMPANY
FOR AN UNORTHODOX OIL WELL LOCATION,
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on April 25, 1973,
at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 17th day of May, 1973, 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, is the operator
of the Penrose "A" Waterflood Project authorized by Order No.
R-3208, Langlie-Mattix Pool, Lea County, New Mexico.

(3) That the applicant seeks authority to re-complete its
Penrose "A" Unit Well No. 62 (formerly the R. R. Sims Well
No. 7) at an unorthodox location 2200 feet from the South
line and 2200 feet from the West line of Section 3, Township 23
South, Range 37 East, NMPM, Lea County, New Mexico, as a
producing well in said Penrose "A" Unit Waterflood Project
closer than 330 feet to another well capable of producing from
the same pool.

(4) That the proposed unorthodox location is necessary to
provide an efficient oil producing pattern.

(5) That the applicant also seeks the establishment of an administrative procedure whereby the Secretary-Director of the Commission may authorize additional producing wells and injection wells at orthodox and unorthodox locations within said Penrose "A" Unit Waterflood Project area as may be necessary to complete an efficient production and injection pattern.

(6) That approval of the requested administrative procedure will afford the applicant the opportunity to produce its just and equitable share of the oil in the Langlie-Mattix Pool, provided said wells are drilled no closer than 330 feet to the outer boundary of the above-described unit area nor closer than 10 feet to any quarter-quarter section or subdivision inner boundary.

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

IT IS THEREFORE ORDERED:

(1) That the applicant, Skelly Oil Company, is hereby authorized to re-complete its Penrose "A" Unit Well No. 62 (formerly the R. R. Sims Well No. 7) at an unorthodox location 2200 feet from the South line and 2200 feet from the West line of Section 3, Township 23 South, Range 37 East, NMPM, Langlie-Mattix Pool, Lea County, New Mexico, as a producing well in its Penrose "A" Unit Waterflood Project.

(2) That the Secretary-Director of the Commission may approve such additional producing wells and injection wells at orthodox and unorthodox locations within the Penrose "A" Unit Waterflood Project area as may be necessary to complete an efficient production and injection pattern; provided said wells are drilled no closer than 330 feet to the outer boundary of the subject unit boundary nor closer than 10 feet to any quarter-quarter section or subdivision inner boundary, and provided that the application therefor has been filed in accordance with Rule 701 B of the Commission Rules and Regulations.

(3) That the subject waterflood project shall continue to be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations insofar as said rules are not inconsistent with this order.

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

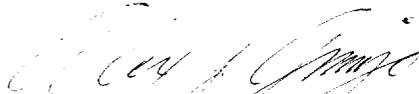
-3-
Case No. 4948
Order No. R-4515

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



I. R. TRUJILLO, Chairman



ALEX J. ARMIJO, Member



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

S E A L

dr/