

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. 4134
Order No. R-3768

APPLICATION OF SKELLY OIL COMPANY
FOR A WATERFLOOD PROJECT, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on May 21, 1969, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 28th day of May, 1969, 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 permission to institute a waterflood project in the West Dollarhide Drinkard Unit Area, Dollarhide Tubb-Drinkard Pool, by the injection of water into the Tubb-Drinkard formation through 43 injection wells in Townships 24 and 25 South, Range 38 East, NMPM, Lea County, New Mexico.

(3) That the applicant further seeks an administrative procedure whereby said project could be expanded to include additional lands and injection wells in the area of the said project as may be necessary in order to complete an efficient injection pattern; that said administrative procedure should provide for administrative approval for conversion to water injection in exception to the well response requirements of Rule 701 E-5 of the Commission Rules and Regulations.

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(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 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; provided however, that the showing of well response as required by Rule 701 E-5 shall not be necessary before obtaining administrative approval for the conversion of additional wells to water injection.

IT IS THEREFORE ORDERED:

(1) That the applicant, Skelly Oil Company, is hereby authorized to institute a waterflood project in the West Dollarhide Drinkard Unit Area, Dollarhide Tubb-Drinkard Pool, by the injection of water into the Tubb-Drinkard formation through the following-described 43 wells in Lea County, New Mexico:

COMPANY	LEASE	Well		LOCATION		
		No.	Unit	Sec.	T	R
Texaco Inc.	Paul Stephens	2	D	19	24S	38E
Texaco Inc.	E. M. Byers	1	L	19	24S	38E
Texaco Inc.	United Royalty "A"	3	F	19	24S	38E
Texaco Inc.	United Royalty "A"	5	N	19	24S	38E
Sinclair Oil & Gas Co.	McClure Fed.	21	B	19	24S	38E
Sinclair Oil & Gas Co.	McClure Fed.	19	J	19	24S	38E
Sinclair Oil & Gas Co.	McClure Fed.	18	P	19	24S	38E
Gulf Oil Corporation	Ramsay "D"	2	N	28	24S	38E
Skelly Oil Company	Mexico "K"	1	P	29	24S	38E
Skelly Oil Company	Mexico "K"	4	N	29	24S	38E
Skelly Oil Company	Mexico "K"	6	L	29	24S	38E
Skelly Oil Company	Mexico "K"	9	J	29	24S	38E
Skelly Oil Company	Mexico "K"	13	F	29	24S	38E
Skelly Oil Company	Mexico "K"	15	D	29	24S	38E
Ralph Lowe	F. Hair	1	F	30	24S	38E
Sinclair Oil & Gas Co.	L. E. Vance	1	N	30	24S	38E
Sinclair Oil & Gas Co.	McClure Fed.	1	P	30	24S	38E
Sinclair Oil & Gas Co.	McClure Fed.	5	J	30	24S	38E

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COMPANY	LEASE	Well		LOCATION		
		No.	Unit	Sec.	T	R
Sinclair Oil & Gas Co.	McClure Fed.	8	H	30	24S	38E
Sinclair Oil & Gas Co.	McClure Fed.	16	B	30	24S	38E
Texaco Inc.	J. B. McGhee	6	J	31	24S	38E
Texaco Inc.	J. B. McGhee	7	P	31	24S	38E
Elliott Production	Elliott "H"	7	B	31	24S	38E
Elliott and Hall	Elliott "R"	1	H	31	24S	38E
Sunshine Royalty	Elliott Fed.	1	F	31	24S	38E
Skelly Oil Company	Mexico "J"	7	L	32	24S	38E
Skelly Oil Company	Mexico "J"	9	J	32	24S	38E
Skelly Oil Company	Mexico "J"	16	P	32	24S	38E
Skelly Oil Company	Mexico "J"	20	N	32	24S	38E
Pan American	State "Y"	11	H	32	24S	38E
Pan American	State "Y"	8	F	32	24S	38E
Pan American	State "Y"	10	B	32	24S	38E
Pan American	State "Y"	6	D	32	24S	38E
Gulf Oil Corporation	Leonard "I"	2	F	33	24S	38E
Gulf Oil Corporation	Leonard "G"	11	D	33	24S	38E
Gulf Oil Corporation	Leonard "G"	14	L	33	24S	38E
Gulf Oil Corporation	Leonard "G"	15	N	33	24S	38E
Gulf Oil Corporation	Leonard "G"	12	F	4	25S	38E
Gulf Oil Corporation	Leonard "G"	19	D	4	25S	38E
Skelly Oil Company	Mexico "L"	15	D	5	25S	38E
Skelly Oil Company	Mexico "L"	17	B	5	25S	38E
Skelly Oil Company	Mexico "L"	18	H	5	25S	38E
Skelly Oil Company	Mexico "L"	20	F	5	25S	38E

(2) That the subject waterflood project is hereby designated the Skelly West Dollarhide Drinkard 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 Skelly West Dollarhide Drinkard Waterflood Project to include such additional lands and injection wells in the area of said project as may be necessary to complete an efficient water injection pattern; that the showing of well response as required by Rule 701 E-5 shall not be necessary before obtaining administrative approval for the conversion of additional wells to water injection.

(3) 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.

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

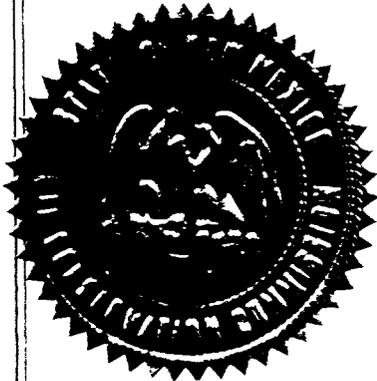
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


DAVID F. CARGO, Chairman


ALEX J. ARMLIGO, Member


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



esr/