

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. 20073
FILED _____
HEARING 2/12

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.

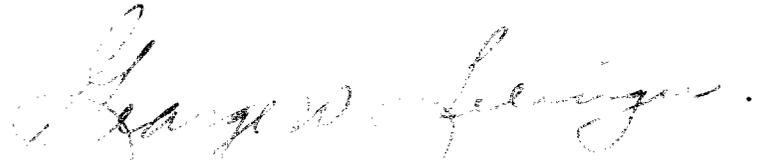
7. That applicant proposes to use, as injection fluid, fresh water from the Ojo Alamo Sand found at approximately a depth of 400 feet from the surface, and proposes to inject initially between 4,000 and 6,000 barrels of water per day.

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

A handwritten signature in cursive script, appearing to read "George W. Selinger".

George W. Selinger
Its Attorney

Of Counsel
L. C. White
Gilbert, White and Gilbert
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

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