

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. 3692  
Order No. R-3352

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

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on November 29, 1967, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 4th day of December, 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 the applicant, Skelly Oil Company, seeks permission to expand its Lovington Paddock Unit Waterflood Project in the Lovington-Paddock Pool by the conversion to water injection into the Lovington Glorieta (Paddock) formation of seven additional wells located in Sections 25 and 35, Township 16 South, Range 36 East; Section 30, Township 16 South, Range 37 East; Sections 1 and 12, Township 17 South, Range 36 East; and Section 6, Township 17 South, Range 37 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

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injection in exception to the well response requirements of Rule 701 E-5 of the Commission Rules and Regulations.

(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 of the Lovington Paddock Unit Waterflood Project should result in the recovery of otherwise unrecoverable oil, thereby preventing waste.

(6) That the subject application should be approved and the expanded 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 expand its Lovington Paddock Unit Waterflood Project in the Lovington-Paddock Pool by the injection of water into the Lovington Glorieta (Paddock) formation through the following-described wells in Lea County, New Mexico:

TOWNSHIP 16 SOUTH, RANGE 36 EAST, NMPM

Lovington Paddock Unit Well No. 4, Unit M, Section 25  
Lovington Paddock Unit Well No. 6, Unit O, Section 25  
Lovington Paddock Unit Well No. 44, Unit O, Section 35

TOWNSHIP 16 SOUTH, RANGE 37 EAST, NMPM

Lovington Paddock Unit Well No. 8, Unit M, Section 30

TOWNSHIP 17 SOUTH, RANGE 36 EAST, NMPM

Lovington Paddock Unit Well No. 73, Unit M, Section 1  
Lovington Paddock Unit Well No. 80, Unit G, Section 12

TOWNSHIP 17 SOUTH, RANGE 37 EAST, NMPM

Lovington Paddock Unit Well No. 70, Unit M, Section 6

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(2) That the expanded waterflood project 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 Lovington Paddock Unit 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 expanded waterflood project herein authorized 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.

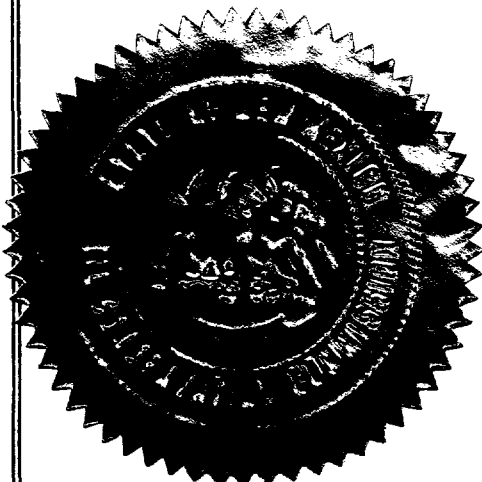
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

  
DAVID F. CARGO, Chairman

  
GUYTON B. HAYS, Member

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



esr/

DOCKET: EXAMINER HEARING - WEDNESDAY - NOVEMBER 29, 1967

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,  
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

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The following cases will be heard before Elvis A. Utz, Examiner, or Daniel S. Nutter, Alternate Examiner:

- CASE 3689: Application of Sunray DX Oil Company for a dual completion and salt water disposal, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its Navajo Table Mesa Well No. 2, located in Unit O of Section 27, Township 28 North, Range 17 West, San Juan County, New Mexico, in such a manner as to permit the production of oil from the Table Mesa-Pennsylvanian "C" Oil Pool and the disposal of produced salt water through the intermediate casing-production casing annulus into the Organ Rock formation through perforations in said intermediate casing from approximately 5505 feet to 5525 feet.
- CASE 3690: Application of Roger C. Hanks, Ltd., for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the Bar-U Pennsylvanian Pool, Lea County, New Mexico, including a provision for 160-acre spacing units and the establishment of 80-acre allowables for said 160-acre units.
- CASE 3691: Application of Roger C. Hanks, Ltd., for salt water disposal, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Bough "C" zone of the Pennsylvanian formation adjacent to the Bar-U Pennsylvanian Pool in its Tidewater State Well No. 1 located in Unit H of Section 31, Township 8 South, Range 33 East, Chaves County, New Mexico.
- CASE 3692: Application of Skelly Oil Company for a waterflood expansion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the expansion of its Lovington Paddock Unit Waterflood Project, Lovington Paddock Pool, by the conversion to water injection of seven additional wells located in Sections 25 and 35, Township 16 South, Range 36 East; Section 30, Township 16 South, Range 37 East; Sections 1 and 12, Township 17 South, Range 36 East; and Section 6, Township 17 South, Range 37 East, Lea County, New Mexico.
- CASE 3693: Application of Atlantic Richfield Company for an exception to Order No. R-3221, Lea County, New Mexico. Applicant, in the above-styled cause, on its own behalf and as operator of the Denton Salt Water Disposal System, seeks an exception to the provision of Paragraph (6) of Commission Order No. R-3221 which requires that certain unlined pits used for the disposal of produced salt water be filled, leveled, and compacted. Applicant proposes that said pits be left open in the Denton Field, Lea County, New Mexico, to permit their use for temporary emergency storage of produced water in connection with individual tank batteries connected to the Denton Salt Water Disposal System operated by Atlantic Richfield Company.

CASE 3694: Application of Mallard Petroleum Inc., for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox gas well location of its Alves Well No. 1, located 660 feet from the South line and 990 feet from the East line of Section 6, Township 20 South, Range 36 East, Lea County, New Mexico, said well being completed as an apparent extension of the North Osudo-Morrow Gas Pool.

CASE 3695: Application of Tenneco Oil Company for Special Pool Rules, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the South Hospah Upper Sand Oil Pool and the South Hospah Lower Sand Oil Pool, McKinley County, New Mexico, to provide that wells drilled in said pools could be located anywhere on the 40-acre unit except that no well could be located closer than 330 feet to the outer boundary of the lease nor closer than 200 feet to another well producing from the same pool. Applicant further proposes that any existing well not located in accordance with the above requirements be granted an exception to said requirements.