

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF SKELLY)
OIL COMPANY FOR AN ORDER AUTHORIZING A) CASE NO.
WATERFLOOD PROJECT IN THE GRAYBURG-JACKSON)
POOL BY INJECTION INTO ITS LEA "C" LEASE) FILED
WELL NOS. 4, 7 AND 9, LOCATED IN SECTION)
11, TOWNSHIP 17 SOUTH, RANGE 31 EAST,) HEARING
EDDY COUNTY, NEW MEXICO.)

A P P L I C A T I O N

Comes now Skelly Oil Company and alleges and states:

1. That it is a Delaware corporation authorized to do business in the state of New Mexico. That it operates a number of wells on its Lea "C" Lease in the Grayburg-Jackson Pool, and that said lease covers and includes all of Section 11, Township 17 South, Range 31 East, Eddy County, New Mexico.

2. That the wells in the project area are in an advanced state of depletion and could properly be classified as "stripper" wells.

3. That Applicant proposes to conduct a waterflood project in the producing formation by converting its Lea "C" Lease Well Nos. 4, 7 and 9 to injection wells.

4. That attached hereto and made a part hereof as Exhibit 1 is a plat showing the location of the proposed injection wells.

5. That attached hereto and made a part hereof as Exhibits 2, 3 and 4, are the logs of the proposed injection wells.

6. That attached hereto and made a part hereof as Exhibits 5, 6 and 7, are well schematics of the proposed injection wells showing all casing strings, including diameter and setting depths, quantities used and tops of cement, perforated intervals, tubing strings, including diameter and setting depths, and type and location of packers.

7. That attached hereto and made a part hereof as Exhibit 8 is an analysis of the water to be injected.

8. That attached hereto and made a part hereof as Exhibit 9 is a plat showing the proposed injection lines and wells.

9. That attached hereto and made a part hereof as Exhibit 10 is a plat including the area involved, together with the properties within a two-mile radius from same.

10. That attached hereto and made a part hereof as Exhibit 11 is a letter dated September 27, 1973 from the United States Department of the Interior, Geological Survey, to Skelly Oil Company expressing their approval of the requested waterflood project subject to the approval of the New Mexico Oil Conservation Commission.

11. That Applicant anticipates that the initial volume of water to be injected will be at a rate of 300 to 500 barrels per day per well at 1,850 psi wellhead pressure.

12. That the proposed waterflood project should result in the recovery of otherwise unrecoverable oil, thereby preventing waste.

WHEREFORE, PREMISES CONSIDERED, Applicant prays that this Commission set this matter down for hearing, that notice hereof be given as required by law, and that at the conclusion of said hearing based on the evidence adduced the Commission enter its order granting Skelly Oil Company permission to conduct a waterflood project in the Grayburg-Jackson Pool by injection of water into its Lea "C" Lease Well Nos. 4, 7 and 9,

located in Section 11, Township 17 South, Range 31 East, Eddy County, New Mexico, and to further provide for administrative expansion of the project and conversion of additional wells by administrative means without the necessity of separate hearings, and for such other orders, rules and regulations as may be necessary in the premises.

Respectfully submitted,

SKELLY OIL COMPANY

By *Chester E. Blodget*
Chester E. Blodget, Attorney

Of Counsel:

L. C. White, Attorney
White, Koch, Kelly & McCarthy
P. O. Box 787
Santa Fe, New Mexico 87501