

CASE 4948: Application of SKELLY  
FOR AN UNORTHODOX OIL WELL LOCA-  
TION, LEA COUNTY, NEW MEXICO.

CASE No.

4948

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Application,

Transcripts,

Small Exhibits

ETC.

dearnley, meier & mc cormick

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BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
MORGAN HALL  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO  
April 25, 1973

EXAMINER HEARING

IN THE MATTER OF:

Application of Skelly Oil Company  
for an unorthodox oil well location,  
Lea County, New Mexico.

Case No. 4948

BEFORE: RICHARD L. STAMETS  
Examiner

TRANSCRIPT OF HEARING

dearnley, meier &amp; mc cormick

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1 MR. STAMETS: Call next Case 4948.

2 MR. CARR: Case 4948, Application of Skelly Oil  
3 Company for an unorthodox oil well location, Lea County, New  
4 Mexico.

5 MR. BLODGET: Mr. Examiner, I'm Chester Blodget  
6 representing Skelly Oil Company. I'm from Tulsa. I hand  
7 you a copy of Entry of Appearance for Mr. White in our  
8 behalf in this case. I believe the original heretofore has  
9 been sent to you. He is a local attorney. We have one witness  
10 to be sworn.

11 PAUL POULSEN

12 was called as a witness and, after being duly sworn, according  
13 to law, testified as follows:

14 DIRECT EXAMINATION

15 BY MR. BLODGET:

16 Q Would you state your name, please?

17 A My name is Paul Poulsen.

18 MR. STAMENTS: What was the last name?

19 THE WITNESS: Poulsen, P O U L S E N.

20 Q (By Mr. Blodget) By whom are you employed?

21 A Presently employed with Skelly Oil Company.

22 Q In what capacity?

23 A I'm Advanced Reservoir Engineer for Skelly in New Mexico.

24 Q Have you ever testified before this Commission?

25 A No, sir, I haven't.

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1 MR. STAMETS: If the witness would speak up, it would  
2 help the reporter.

3 A No, I haven't testified before this Commission before.

4 Q Mr. Poulsen, will you give us a brief resume of your  
5 higher education and experience?

6 A I graduated from the University of Wisconsin in 1969 with  
7 a Bachelor of Science degree, with a minor in Engineering,  
8 with a semi-major in Petroleum Engineering. I have  
9 worked in the Permian Basins in particular southern New  
10 Mexico for about three years, and six months in Texas for  
11 Sun Oil Company and for Skelly Oil Company.

12 Q Are you familiar with the rules and regulations of the  
13 New Mexico Oil Commission?

14 A Yes, sir. I sure am.

15 MR. BLODGET: We move his qualifications, Mr. Examiner.

16 MR. STAMETS: Mr. Poulsen, you have been working with  
17 Skelly in this particular area and you are familiar with the  
18 application in this case?

19 THE WITNESS: Yes, sir.

20 MR. STAMETS: The witness' qualifications are acceptable.

21 Q (By Mr. Blodget) Mr. Poulsen, I show you Skelly Oil  
22 Company's Exhibit No. 1 in this case and ask you to  
23 identify and explain that, please.

24 A Exhibit 1 shows the outline in yellow of Skelly Oil  
25 Company's Skelly Penrose "A" Unit. It is presently 33

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1 producing wells and 28 injection wells on a five-spot  
2 80-acre injection pattern as the wells were originally  
3 completed.

4 I'd like to point out the red arrow to what we call  
5 Section 2 or a proposed recompletion of a Sims Number 7.

6 Q I call your attention to Skelly Oil Company's --

7 MR. BLODGET: Do you have any questions, Mr. Examiner,  
8 on the exhibit?

9 Q I call your attention to Skelly Oil Company's Exhibit No.  
10 2 and ask you to identify that, please.

11 A Exhibit 2 is a listing of the presently producing 33 wells  
12 and their locations and the present 28 injection wells  
13 and their locations in the unit.

14 Q I call your attention to Skelly Oil Company Exhibit No. 3  
15 in this case and ask you to identify and explain that,  
16 please.

17 A Exhibit No. 3 is a decline curve showing the production  
18 history of Skelly's Penrose Unit. As can be seen by the  
19 red line, this unit was formed in 1967. Its initial  
20 production was 155 barrels a day.

21 We are presently producing 1180 barrels a day. We  
22 feel that we have had a successful waterflood in this  
23 area as can be shown by the plat. I'd like to also  
24 bring out that we have presently produced 1.4 million  
25 barrels of secondary oil and that we have injected 17.2

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1 million barrels of water.

2 Q I hand you a copy of Skelly Exhibit No. 4. Would you  
3 identify and explain that, please?

4 A Exhibit No. 4 is a downhole schematic of the R. R. Sims  
5 Number 7, the well we would like to recomplete in the  
6 Penrose section of the waterflood. The schematic shows  
7 the well has been plugged of all previous zones as set  
8 by the Commission rules and regulations.

9 The well is now standing and there is 9-5/8 inch  
10 casing set down through the Penrose sand at 3925. It  
11 was cemented with 1600 sacks of cement. It shows 13-3/8  
12 inch casing set at 192 feet cemented with 200 sacks of  
13 cement.

14 It has a TD of 3720; and it has a 337-foot plug, 207-  
15 foot in and 130-foot out of the top of the 5-1/2 inch  
16 casing sub at 30,855. We feel that the Langlie Mattix  
17 pay section is at 3484 to 3630. I'd like to note at this  
18 time that this is one of the few wells that have casings  
19 set through the total pay section. Most of the wells  
20 in the area have been completed openhole.

21 Q Now, I believe you stated that you were familiar with  
22 Skelly's application in this case and that the Applicant  
23 seeks to amend Order No. R-3208 so as to permit the re-  
24 completion of the abandoned wellbore of Skelly's R. R.  
25 Sims Number 7 Well in the Langlie Mattix Pool as a Skelly

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1 Penrose "A" Unit Well Number 62.

2 Would you explain why we are making that application  
3 and for what reasons?

4 A The Sims Number 7 is located in an unswept area of the  
5 injection pattern. We have estimated that 7220 barrels  
6 of unswept oil or oil that might otherwise remain in the  
7 ground can be recovered due to the completion of this  
8 well. We also feel that information pertaining to the  
9 zonation of this well of the sand will be recovered at  
10 the time of recompletion and that we will be able to use  
11 this information to increase the waterflood efficiency.

12 Q Have there been other operators in the area that have  
13 secured or had applications granted for in-filled drilling  
14 in their particular units?

15 A Yes, sir. I'd like to bring your attention to Exhibit No.  
16 1. In the northwest corner is a waterflood operated  
17 by Wood, McShane and Thams. They operate in New Mexico  
18 "M" State Waterflood and to date 15 in-fill wells have  
19 been completed for an additional recovery from these  
20 wells of 217,562 barrels of oil, 2/1/73.

21 In December of 1972, these wells were producing 560  
22 barrels of oil per day. We estimate that by in-filled  
23 drilling that we can recover 33,000 barrels of additional  
24 oil due to in-filled drilling in selective locations.

25 Q And you are asking in this application of Skelly's for



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1 rules similar to those that are sent out in the Wood,  
2 McShane and Thams operation?

3 A Yes, sir. We are.

4 Q And does Skelly's application also request the order to  
5 provide that on subsequent applications for in-filled  
6 drilling that they can be handled administratively by the  
7 Oil Commission?

8 A Yes, sir. This is what we would like.

9 MR. BLODGET: I believe that we have no further  
10 evidence, and we move the acceptance of Skelly's Exhibits 1  
11 through 4 and that they be accepted into evidence.

12 MR. STAMETS: Without objection, these exhibits will  
13 be admitted into evidence. Are there any questions of the  
14 witness?

15 (No response)

16 CROSS EXAMINATION

17 BY MR. STAMETS:

18 Q Mr. Poulsen, do you propose or will Skelly pressure test  
19 in the plug in the bottom of this casing when we re-enter  
20 this well?

21 A Yes, sir. We can. I believe that it has been done already,  
22 though, when the plug was set.

23 Q So it was pressure tested at that time?

24 A Yes, sir.

25 Q And found to be not leaking?

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1 A We felt at that time when we set the plug this is why  
2 we set as long a plug as we did to assure we were completely  
3 shut off from all lower zones.

4 Q I presume that the type of rules you are talking about  
5 here on obtaining in-filled drilling would be some simple  
6 method of making application, notifying off-set operators,  
7 and would prohibit the drilling of any in-fill well  
8 closer than 330 feet to the outer boundary of the unit?

9 A Yes, sir.

10 MR. STAMETS: Are there any other questions of the  
11 witness?

12 (No response)

13 MR. STAMETS: He may be excused. Is there anything  
14 further in this case?

15 (No response)

16 MR. STAMETS: The case will be taken under advisement.

17 \* \* \* \*

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1 STATE OF NEW MEXICO )  
2 ) ss  
3 COUNTY OF BERNALILLO )

4 I, JANET RUSSELL, a Certified Shorthand Reporter, do  
5 hereby certify that the foregoing and attached Transcript of  
6 Hearing before the New Mexico Oil Conservation Commission was  
7 reported by me; and that the same is a true and correct  
8 record of the said proceedings, to the best of my knowledge,  
9 skill and ability.

10 Janet Russell  
11 CERTIFIED SHORTHAND REPORTER  
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I do hereby certify that the foregoing is  
a complete record of the proceedings in  
the Examiner's hearing of Case No. 7948,  
heard by me on April 25, 1943.  
Richard L. Starnes, Examiner  
New Mexico Oil Conservation Commission

dearnley, meier &amp; mc cormick

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# OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

P. O. BOX 2082 - SANTA FE

87501

GOVERNOR  
BRUCE KING  
CHAIRMAN

LAND COMMISSIONER  
ALEX J. ARMJO  
MEMBER

STATE GEOLOGIST  
A. L. PORTER, JR.  
SECRETARY - DIRECTOR

May 21, 1973

Mr. Chester E. Blodget  
Skelly Oil Company  
Post Office Box 1650  
Tulsa, Oklahoma 74102

Re: Case No. 4948  
Order No. R-4515  
Applicant:  
Skelly Oil Company

Dear Sir:

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

Very truly yours,

A. L. PORTER, Jr.  
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC XX  
Artesia OCC             
Aztec OCC           

Other Mr. Charlie White - Santa Fe

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

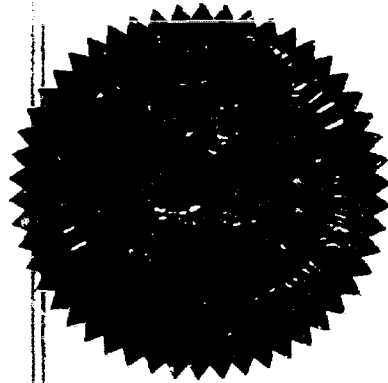
DONE at Santa Fe, New Mexico, on the day and year herein-  
above designated.

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/



4948

Paul Foulson

Time in unswept section

will increase as the field is being

Ch. 1 - no report for  
N.W. 1/4 section

more than 2000, additional records

reg.

again appear of subsequence  
in the water table  
during glaciation

pressure test plug in bottom of well  
done when set.

DOCKET: EXAMINER HEARING - WEDNESDAY - APRIL 25, 1973

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 Richard L. Stamets, Examiner, or Daniel S. Nutter or Elvis A. Utz, Alternate Examiners:

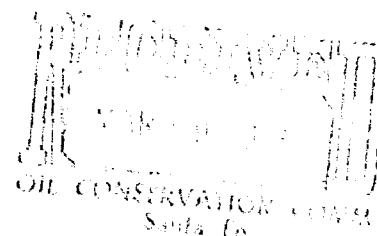
CASE 4946: Application of Union Texas Petroleum for special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of special pool rules for the Crosby-Fusselman Pool, Lea County, New Mexico, including a provision for classification of oil wells and gas wells, 80-acre spacing for oil wells, 320-acre spacing for gas wells, and a limiting gas-oil ratio of 5000 to one.

CASE 4947: Application of Tom Brown, Inc., for compulsory pooling, and a non-standard unit, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests underlying the N/2 of Section 13, Township 22 South, Range 26 East, South Carlsbad Field Extension, Eddy County, New Mexico, to form a non-standard 336.6-acre unit to be dedicated to a well to be drilled 1680 feet from the North line and 1980 feet from the East line of said Section 13.

Also to be considered will be the costs of drilling said well, a charge for the risk involved, a provision for the allocation of actual operating costs, and the establishment of charges for supervision of said well.

 CASE 4948: Application of Skelly Oil Company for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to re-complete its R. R. Sims Well No. 7 located 2200 feet from the South and West lines of Section 3, Township 23 South, Range 37 East, Lea County, New Mexico, as a producing oil well in its Penrose "A" waterflood project, Langlie-Mattix Pool, said well being an unorthodox location closer than 330 feet to another well producing from the same pool. Applicant further seeks an administrative procedure for approval of further in-fill development at unorthodox locations in its Penrose "A" Unit Area.

CASE 4949: Application of Skelly Oil Company for the amendment of Order No. R-1069-B, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-1069-B, which order promulgated special pool rules for the Bisti Lower-Gallup Oil Pool, San Juan County, New Mexico. Applicant seeks the adoption of rules for the classification of gas wells in said pool and the dedication of 320 acres thereto.



BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF )  
SKELLY OIL COMPANY TO AMEND ORDER )  
NO. R-3208 WHICH AUTHORIZED SKELLY OIL )  
COMPANY TO INSTITUTE A WATERFLOOD PROJECT )  
IN THE SKELLY PENROSE "A" UNIT AREA, LEA )  
COUNTY, NEW MEXICO, TO PERMIT IN-FILL )  
DEVELOPMENT AND TO MAINTAIN PRODUCTION )  
EFFICIENCY AND CAPACITY ALLOWABLE IN THE )  
UNIT. )

CASE NO. 494X

ENTRY OF APPEARANCE

COMES NOW L. C. WHITE of the firm of White, Koch, Kelly  
& McCarthy of Santa Fe, New Mexico, and herewith enters his  
formal appearance of record in the above-entitled cause as  
local Counsel for SKELLY OIL COMPANY.

WHITE, KOCH, KELLY & MCCARTHY

By: Lew White

DOCKET MAILED

4-12-73

SKELLY PENROSE "A" UNIT

INJECTION WELLS				
WELL NO.	LOCATION			
	UL	S	T	R
2	L	34	22	37
4	J	33	22	37
6	L	33	22	37
8	N	33	22	37
10	P	33	22	37
12	N	34	22	37
13	B	3	23	37
17	B	4	23	37
21	H	4	23	37
23	F	3	23	37
26	J	3	23	37
28	L	3	23	37
30	J	4	23	37
32	L	4	23	37
34	N	4	23	37
36	P	4	23	37
38	N	3	23	37
40	P	3	23	37
42	B	10	23	37
44	D	10	23	37
46	B	9	23	37
48	H	9	23	37
50	F	10	23	37
52	H	10	23	37
53	J	10	23	37
55	L	10	23	37
57	J	9	23	37
61	F	4	23	37
TOTAL	28 Wells			

PRODUCING WELLS				
WELL NO.	LOCATION			
	UL	S	T	R
1	K	34	22	37
3	I	33	22	37
5	K	33	22	37
7	M	33	22	37
9	O	33	22	37
11	M	34	22	37
14	C	3	23	37
15	D	3	23	37
16	A	4	23	37
18	C	4	23	37
19	F	4	23	37
20	G	4	23	37
22	E	3	23	37
24	G	3	23	37
25	I	3	23	37
27	K	3	23	37
29	I	4	23	37
31	K	4	23	37
33	M	4	23	37
35	O	4	23	37
37	M	3	23	37
39	O	3	23	37
41	A	10	23	37
43	C	10	23	37
45	A	9	23	37
47	G	9	23	37
49	E	10	23	37
51	G	10	23	37
54	K	10	23	37
56	I	9	23	37
58	O	9	23	37
59	P	9	23	37
60	M	10	23	37
TOTAL	33 Wells			

SKELLY OIL CO.

EXHIBIT NO. 2

DOCKET OR  
CASE NO. 4948

DATE 4-25-73

BEFORE EXAMINER STAMETS  
OIL CONSERVATION COMMISSION

EXHIBIT NO. 2

CASE NO. 4948

Submitted by SKELLY

Hearing Date 4/28/73

SKELLY OIL CO.

BEFORE EXAMINER STAMETS  
OIL CONSERVATION COMMISSION

SKELLY OIL COMPANY

R. R. SIMS NO. 7

Section 3, T-23-S, R-37E Unit K

2200 FSL, 2200 FWL

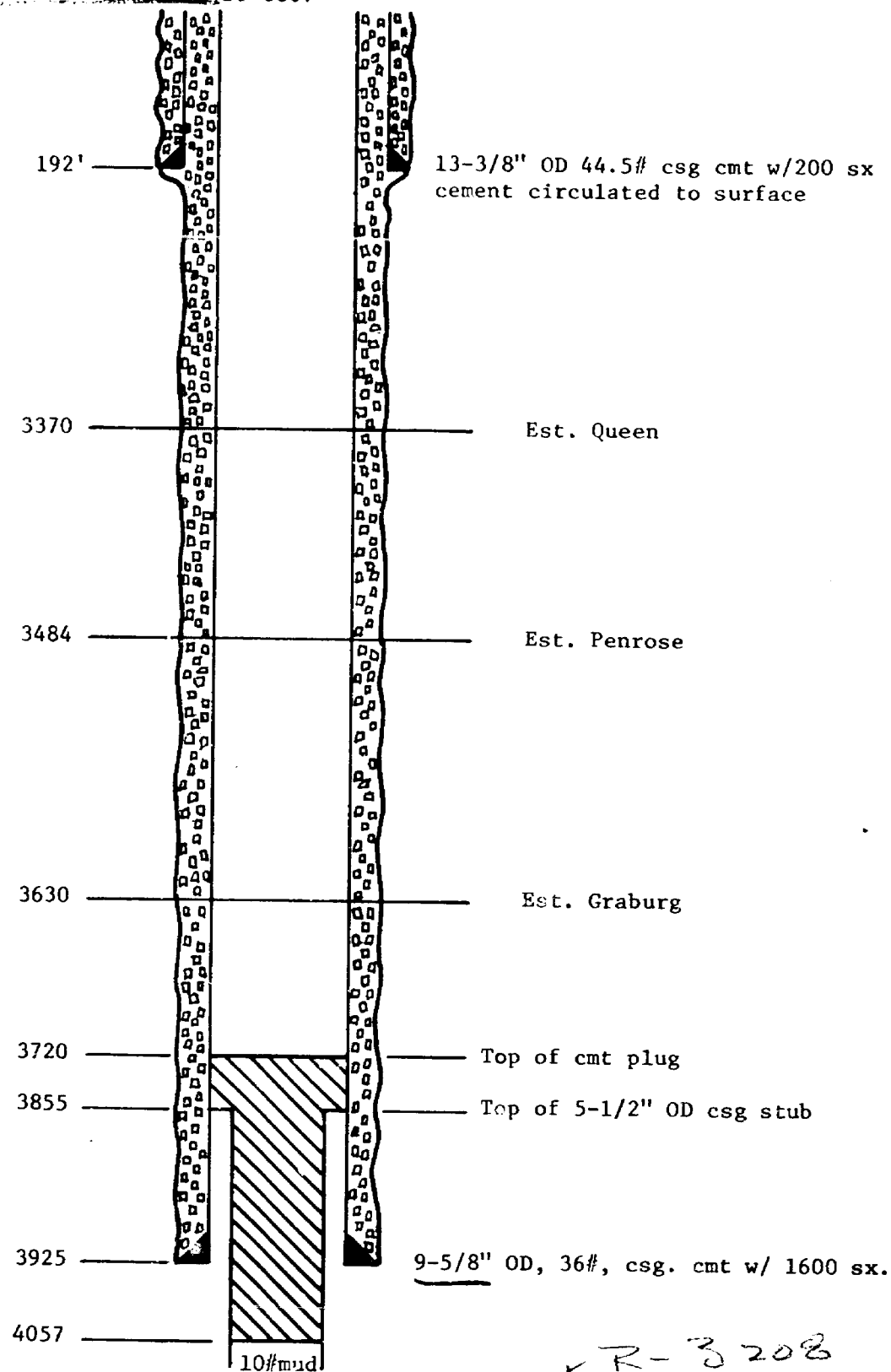
Lea County, New Mexico

EXHIBIT NO. 4

DOCKET OR

CASE NO. 4945DATE 4-25-73CASE NO. 4948Submitted by SKELLYHearing Date 4/25/73

Elevation DF 3307



✓ R-3208



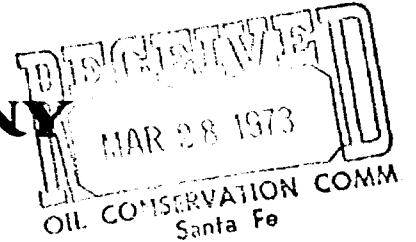
# SKELLY OIL COMPANY

P. O. BOX 1650

TULSA, OKLAHOMA 74102

March 26, 1973

LAW DEPARTMENT  
CHESTER E. BLODGET  
SENIOR ATTORNEY



Re: Application to Amend Order No.  
R-3208 Which Authorized Skelly  
to Institute a Waterflood Project  
in the Skelly Penrose "A" Unit  
Area, Lea County, New Mexico, to  
Permit In-Fill Development and to  
Maintain Production Efficiency and  
Capacity Allowable in the Unit.

Mr. A. L. Porter, Jr., Secretary-Director  
New Mexico Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Dear Mr. Porter:

Attached is the original and four copies of the above-referenced  
application. We would appreciate your setting this matter down  
for hearing on April 25, 1973.

Yours very truly,

CEB:br  
Attach.

  
Chester E. Blodget

DOCKET MAILED

Date 4-12-73

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF )  
SKELLY OIL COMPANY TO AMEND ORDER )  
NO. R-3208 WHICH AUTHORIZED SKELLY OIL )  
COMPANY TO INSTITUTE A WATERFLOOD PROJECT) )  
IN THE SKELLY PENROSE "A" UNIT AREA, LEA )  
COUNTY, NEW MEXICO, TO PERMIT IN-FILL )  
DEVELOPMENT AND TO MAINTAIN PRODUCTION )  
EFFICIENCY AND CAPACITY ALLOWABLE IN THE )  
UNIT. )

CASE NO. 4948

A P P L I C A T I O N

Comes now Skelly Oil Company and states and alleges:

1. That it is a Delaware corporation with offices in Tulsa, Oklahoma, and is authorized to do business in the state of New Mexico.

2. That on March 17, 1967, in Case No. 3539 by Order No. R-3208, this Commission authorized Skelly Oil Company to institute a waterflood project in the Skelly Penrose "A" Unit area, Penrose Sand of the Queen formation, Langlie-Mattix Pool, Lea County, New Mexico, and thereafter was given a capacity production allowable of 1,196 barrels of oil per day.

3. That applicant by this application seeks to amend said Order No. R-3208 so as to permit the recompletion of the abandoned well bore in Skelly's R. R. Sims No. 7 well in the Langlie-Mattix Pool as the Skelly Penrose "A" Unit Well No. 62. This will be the second well on Unit K, Section 3, Township 23 South, Range 37 East, Lea County, New Mexico.

4. That in the future for the purpose of maintaining and improving the production efficiency and the capacity production of the unit, applicant be permitted to further in-fill develop the above-described unit upon administrative approval by this Commission.

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 amending its Order No. R-3208 in Case No. 3539 to permit recompletion of Skelly's R. R. Sims No. 7 well in the Langlie-Mattix Pool as the Skelly Penrose "A" No. 62, to permit further in-fill development by administrative approval, all for the purpose of maintaining and improving the production efficiency and capacity production of the unit.

Respectfully submitted,

SKELLY OIL COMPANY

George W. Selinger  
Chester E. Blodget  
Its Attorneys

By Chester E. Blodget

Of Counsel:  
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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 \_\_\_\_\_ day of \_\_\_\_\_, 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.



*Penrose Unit well No 62 (formerly the R. R. Sims Well No. 7)* (3) That the applicant seeks authority to re-complete its

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, *close 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* ~~in field development at~~ *at ortho. 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, ~~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 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 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.

LANGLE-MATTIX POOL  
(State "M" Lease Waterflood Project Expansion - Order No. R-3910)  
Lea County, New Mexico

Order No. R-3910, Authorizing Wood, McShane and Thams-Corlondo to Expand its State "M" Lease Waterflood Project in the Langle-Mattix Pool, Lea County, New Mexico, January 14, 1970.

Application of Wood, McShane and Thams-Corlondo for an Unorthodox Oil Well Location and Waterflood Expansion, Lea County, New Mexico.

CASE NO. 4288  
Order No. R-3910

#### ORDER OF THE COMMISSION

BY THE COMMISSION: This cause came on for hearing at 9 a.m. on January 7, 1970, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 14th day of January, 1970, 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 applicants, Wood, McShane and Thams-Corlondo, are now the operators of the State "M" Lease Waterflood Project, Langle-Mattix Pool, Lea County, New Mexico, formerly operated by Humble Oil & Refining Company and approved by Commission Order No. R-2556 and extended by Order No. R-2891.

(3) That the applicants seek authority to drill their Well No. 63, a producing oil well, at an unorthodox location 2740 feet from the South line and 1280 feet from the East line of Section 30, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico, as an infill well in said State "M" Lease Waterflood Project.

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

(5) That the applicants also seek 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 State "M" Lease 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 applicants the opportunity to produce their just and equitable share of the oil in the Langle-Mattix Pool, provided said wells are drilled no closer than 330 feet to the outer boundary of the subject lease 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, 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 applicants, Wood, McShane and Thams-Corlondo, are hereby authorized to drill their Well No. 63, a producing oil well, at an unorthodox location 2740 feet from the South line and 1280 feet from the East line of Section 30, Township 22 South, Range 37 East, NMPM, Langle-Mattix Pool, Lea County, New Mexico, as an infill well in their State "M" Lease Waterflood Project.

(2) 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,

(2) ~~provided however, that the Secretary-Director of the Commission may approve such additional producing wells and injection wells at orthodox and unorthodox locations within the State "M" Lease 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 lease 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. 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 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 monthly progress reports of the subject waterflood project shall continue to be submitted to the Commission in accordance with Rules 704 and 1120 of the Commission Rules and Regulations.

(5) 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.