

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. 3547  
Order No. R-3214

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

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on April 5, 1967,  
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 11th day of April, 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 by Order No. R-2900, the Commission authorized the  
institution of a waterflood project in the Grayburg-Jackson Pool  
in the Dow Unit Area (now designated Skelly Unit Area) by the  
injection of water into the Premier (Grayburg) and San Andres for-  
mations through six injection wells in Section 22, Township 17  
South, Range 31 East, NMPM, Eddy County, New Mexico.

(3) That the applicant, Skelly Oil Company, seeks amendment  
of said Order No. R-2900 to expand the waterflood interval autho-  
rized therein to include the entire Grayburg-Jackson producing  
interval, to permit the conversion to water injection of 18  
additional injection wells in Sections 14, 15, 22, 23, 26, and  
27, Township 17 South, Range 31 East, NMPM, Eddy County, New  
Mexico, and the establishment of an administrative procedure  
whereby additional wells, within the said unit area, could be  
placed on water injection.

(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 should result in the recovery of otherwise unrecoverable oil, thereby preventing waste.

(6) That approval of the subject application should increase the efficiency of the subject waterflood project, and otherwise prevent waste and protect correlative rights.

(7) That the subject application should be approved and the project as expanded should be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

IT IS THEREFORE ORDERED:

That Order No. R-2900 is hereby amended to read in its entirety as follows:

(1) That the applicant, Skelly Oil Company, is hereby authorized to effect a waterflood project in the Grayburg-Jackson Pool in the Skelly Unit Area by the selective injection of water into various zones throughout the entire Grayburg-Jackson producing interval through the following-described twenty-four wells:

EDDY COUNTY, NEW MEXICO  
TOWNSHIP 17 SOUTH, RANGE 31 EAST, NMPM

Well	No.	Unit	Section
Skelly Unit -	105	F	14
Skelly Unit -	22	J	14
Skelly Unit -	24	L	14
Skelly Unit -	34	N	14
Skelly Unit -	19	F	15
Skelly Unit -	21	H	15
Skelly Unit -	26	J	15
Skelly Unit -	30	N	15
Skelly Unit -	32	P	15
Skelly Unit -	42	B	22
Skelly Unit -	44	F	22
Skelly Unit -	46	H	22
Skelly Unit -	52	J	22
Skelly Unit -	54	L	22
Skelly Unit -	56	N	22

EDDY COUNTY, NEW MEXICO  
TOWNSHIP 17 SOUTH, RANGE 31 EAST, NMPM (Cont.)

Well	No.	Unit	Section
Skelly Unit -	58	P	22
Skelly Unit -	38	B	23
Skelly Unit -	40	D	23
Skelly Unit -	48	F	23
Skelly Unit -	71	J	23
Skelly Unit -	73	L	23
Skelly Unit -	83	D	26
Skelly Unit -	85	B	27
Skelly Unit -	96	F	27

(2) That the subject waterflood project is hereby designated the Grayburg-Jackson Skelly Unit 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 Grayburg-Jackson Skelly Unit Waterflood Project to include additional wells, within said unit area, on water injection as may be necessary to complete an efficient waterflood injection pattern.

(3) That monthly progress reports of the expanded waterflood project authorized herein 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

S E A L

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