

BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION

IN THE MATTER OF THE APPLICATION OF SKELLY OIL )  
 COMPANY FOR AN ORDER AUTHORIZING THE INJECTION )  
 OF FLUID FOR SECONDARY RECOVERY PURPOSES INTO )  
 THE WEST DOLLARHIDE TUBB-DRINKARD POOL ON THE )  
 WEST DOLLARHIDE TUBB-DRINKARD UNIT LOCATED IN )  
 ALL WELL PORTIONS OF SECTION 19, 28, 29, 30, )  
 31, 32 AND 33, TOWNSHIP 24 SOUTH, RANGE 38 )  
 EAST AND SECTIONS 4, 5 AND 6, TOWNSHIP 25 SOUTH, )  
 RANGE 38 EAST, LEA COUNTY, NEW MEXICO, AND FOR )  
 THE PROMULGATION OF SPECIAL RULES GOVERNING THE )  
 OPERATION OF SAID UNIT. )

CASE NO. 4134  
 FILED \_\_\_\_\_  
 HEARING \_\_\_\_\_

A P P L I C A T I O N

Comes now Skelly Oil Company and alleges and states:

1. That it is the operator of the West Dollarhide Tubb-Drinkard Unit containing 3,533.52 acres of federal, state and fee lands described as follows:

Township 24 South, Range 38 East

All of Section 19 except NE/4  
 and NE NW, the S/2 of S/2 of fractional Section 28,  
 All of Section 29 except the N/2 of the N/2 and  
 the SE of the NE.  
 All of Section 30,  
 All of Section 31 except the SW of the NW, the N/2  
 of the SW and the SE of the SW,  
 All of Section 32,  
 All of fractional Section 33.

Township 25 South, Range 38 East

N/2 of fractional Section 4,  
 N/2 of Section 5 and NE NE Quarter,  
 N/2 NE Quarter of Section 6 and SE of NE.

2. That an application for approval of the Unit Agreement for said Unit has been filed with this Commission.

3. That in order to carry out the secondary recovery operations as contemplated by the Unit Agreement, to prevent waste and to recover oil and associated hydrocarbons which would not otherwise be recovered, applicant desires to inject fluid into certain wells within the unit area for injection into the West Dollarhide Tubb-Drinkard Unit, pursuant to Rule 701 of this Commission.

4. That applicant proposes to convert the following 43 wells and utilize same for injection purposes:

<u>COMPANY</u>	<u>LEASE</u>	<u>WELL #</u>	<u>LOCATION</u> <u>UNIT SEC-T-R</u>
Texaco, Inc.	Paul Stephens	2	D 19-24-38
Texaco, Inc.	E. M. Byers	1	L 19-24-38
Texaco, Inc.	United Royalty "A"	3	F 19-24-38
Texaco, Inc.	United Royalty "A"	5	N 19-24-38
Sinclair Oil & Gas Company	McClure Fed.	21	B 19-24-38
Sinclair Oil & Gas Company	McClure Fed.	19	J 19-24-38
Sinclair Oil & Gas Company	McClure Fed.	18	P 19-24-38
Ralph Lowe	F. Hair	1	F 30-24-38
Sinclair Oil & Gas Company	L. E. Vance	1	N 30-24-38
Sinclair Oil & Gas Company	McClure Fed.	1	P 30-24-38
Sinclair Oil & Gas Company	McClure Fed.	5	J 30-24-38
Sinclair Oil & Gas Company	McClure Fed.	8	H 30-24-38
Sinclair Oil & Gas Company	McClure Fed.	16	B 30-24-38
Skelly Oil Company	Mexico "K"	1	P 29-24-38
Skelly Oil Company	Mexico "K"	4	N 29-24-38
Skelly Oil Company	Mexico "K"	6	L 29-24-38
Skelly Oil Company	Mexico "K"	9	J 29-24-38

DOCKET MARKED

5-9-69

(Continued)

<u>COMPANY</u>	<u>LEASE</u>	<u>WELL #</u>	<u>LOCATION</u> <u>UNIT SEC-T-R</u>
Skelly Oil Company	Mexico "K"	13	F 29-24-38
Skelly Oil Company	Mexico "K"	15	D 29-24-38
* Gulf Oil Corporation	Ramsay "D"	2	N 28-24-38
* Gulf Oil Corporation	Leonard "I"	2	F 33-24-38
Gulf Oil Corporation	Leonard "G"	11	D 33-24-38
Gulf Oil Corporation	Leonard "G"	14	L 33-24-38
* Gulf Oil Corporation	Leonard "G"	15	N 33-24-38
Skelly Oil Company	Mexico "J"	7	L 32-24-38
Skelly Oil Company	Mexico "J"	9	J 32-24-38
Skelly Oil Company	Mexico "J"	16	P 32-24-38
Skelly Oil Company	Mexico "J"	20	N 32-24-38
Pan American	State "Y"	11	H 32-24-38
Pan American	State "Y"	8	F 32-24-38
Pan American	State "Y"	10	B 32-24-38
Pan American	State "Y"	6	D 32-24-38
Texaco, Inc.	J. B. McGhee	6	J 31-24-38
Texaco, Inc.	J. B. McGhee	7	P 31-24-38
Elliott Production	Elliott "H"	7	B 31-24-38
Elliott and Hall	Elliott "R"	1	H 31-24-38
Sunshine Royalty	Elliott Fed.	1	F 31-24-38
Skelly Oil Company	Mexico "L"	15	D 5-25-38
Skelly Oil Company	Mexico "L"	17	B 5-25-38
Skelly Oil Company	Mexico "L"	18	H 5-25-38
Skelly Oil Company	Mexico "L"	20	F 5-25-38
* Gulf Oil Corporation	Leonard "G"	12	F 4-25-38
Gulf Oil Corporation	Leonard "G"	19	D 4-25-38

All in Lea County, New Mexico

\*Conversion of these four wells will be temporarily delayed until lease line agreements are made.

5. That attached hereto and made a part hereof is a map, labeled Exhibit "A", which shows the location of the proposed injection wells and the location of all other wells within a radius of two miles from said proposed injection wells, and the formation from which said wells are producing, and that also indicated on said exhibit are the lessees within said two-mile radius.

6. That attached hereto and made a part hereof is Exhibit "F" which contains the diagrammatic sketches of the proposed injection wells showing the casing strings, including diameter and setting depths, quantities used and top of cement, perforated or open hole intervals, tubing strings, including diameters and setting depths, and the type and location of packers.

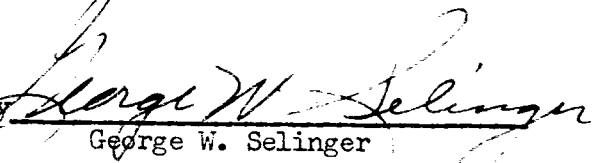
7. That the formation sought to be waterflooded and into which injection will be made is the West Dollarhide Tubb-Drinkard Formation underlying the Unit Area, the same being the heretofore established underground reservoir which has been found to occur between the depths of 5950 feet and 7367 feet in Skelly Oil Company's Mexican "L" No. 3 Well in Section 5, Township 25 South, Range 38 East, Lea County, New Mexico.

8. That the fluid sought to be injected is water, and the anticipated volumes to be injected are 900 - 1,000 BWPD, and that the source of said injection fluid is water produced from the unit area wells and Skelly's Ogalalla formation from the Seven Rivers formation and Capitan Reef.

WHEREFORE, PREMISES CONSIDERED, applicant prays that this Commission, after the giving of notice as required by law, set this matter down for hearing, and that at the conclusion of said hearing based on the evidence adduced enter its order granting the applicant permission to conduct a waterflood project on the West Dollarhide Tubb-Drinkard Unit by utilizing as injection wells the wells above described, with said secondary recovery project to be governed by the provisions of Rule 701, for permission to expand or change the waterflood program by administrative means without the necessity of a separate hearing, for appropriate field rules if necessary, and for such other orders, rules and regulations as may be necessary in the premises.

Respectfully submitted,

SKELLY OIL COMPANY

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Its Attorneys

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