

GOVERNOR
JOHN BURROUGHS
CHAIRMAN

State of New Mexico
Oil Conservation Commission

LAND COMMISSIONER
MURRAY E. MORGAN
MEMBER



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

P. O. BOX 871
SANTA FE

June 30, 1960

Mr. Jason Kellahin
Kellahin & Fox
Box 1713
Santa Fe, New Mexico

Gentlemen:

Enclosed herewith is Commission Order No. R-1710, entered in Case No. 1990, approving the Continental Oil Company SEMU Skaggs Water Flood Project.

According to our calculations, when all of the authorized injection wells have been placed on active injection, the maximum allowable which this project will be eligible to receive under the provisions of Rule 701-E-3 is 1008 barrels per day.

Please report any error in this calculated maximum allowable immediately, both to the Santa Fe office of the Commission and the appropriate District proration office.

In order that the allowable assigned to the project may be kept current, and in order that the operator may fully benefit from the allowable provisions of Rule 701, it behooves him to promptly notify both of the aforementioned Commission offices by letter of any change in the status of wells in the project area, i.e., when active injection commences, when additional injection or producing wells are drilled, when additional wells are acquired through purchase or unitization, when wells have received a response to water injection, etc.

Your cooperation in keeping the Commission so informed as to the status of the project and the wells therein will be appreciated.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

RECEIVED
MAY 16 PM 1 12

CONTINENTAL OIL COMPANY

825 PETROLEUM BUILDING
ROSWELL, NEW MEXICO

WM. A. MEAD
DIVISION SUPERINTENDENT
OF PRODUCTION
NEW MEXICO DIVISION

Office of State Engineer
P.O. Box 1079
Santa Fe, New Mexico

Dear Sir:

Continental Oil Company is making application for the institution of a pilot waterflood project in the Skaggs Pool, located in T-20S, R-37E and R-38E, Lea County, New Mexico. Please find attached a copy of this Application.

In conformance with the requirements of Memorandum 5-58 we are submitting additional information as follows: The water proposed for use in the pilot waterflood project will be obtained from the disposal system of the Cass Pool, located in Sec. 23, T-20S, R-37E. The Cass Pool produces from the Pennsylvanian formation, which is located at an approximate depth of 7700 feet.

An analysis of the Pennsylvanian formation water will be forwarded to your office within the next few days.

If additional information concerning this pilot waterflood project is required, please contact Continental Oil Company's Division Office in Roswell, New Mexico.

Very truly yours,

W. A. Mead

WAM-AD
cc: NMOC (2) ✓
Santa Fe, New Mexico

BEFORE THE OIL CONSERVATION COMMISSION
OF THE
STATE OF NEW MEXICO

OFFICE OCC
1990 MAY 15 PM 1:12

IN THE MATTER OF THE APPLICATION OF
CONTINENTAL OIL COMPANY FOR PERMISSION
TO INSTITUTE A PILOT WATER FLOOD PROJECT
ON ITS SOUTHEAST MONUMENT UNIT IN THE
SKAGGS POOL, SAID WATER FLOOD TO INCLUDE
ACREAGE LOCATED IN SECTIONS 19, 24, 25
AND 30, T-20S, R-37E and R-38E, LEA
COUNTY, NEW MEXICO

Case 1990

A P P L I C A T I O N

Comes now Continental Oil Company, hereinafter referred to as Applicant, and petitions the Commission for an order to institute a pilot water flood in the Grayburg Formation of the Skaggs Pool, Lea County, New Mexico, for the purpose of determining the feasibility of the secondary recovery of oil from the reservoir.

Pursuant to the provisions of Rule 701 of the Commission's Rules and Regulations the following Exhibits, in support of this application, are attached hereto and made a part hereof:

- Perkol
act on
testing*
1. A plat showing 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 or have produced. (Exhibit 1)
 2. Logs of the proposed injection wells (where logs have been run.) (Exhibits 2a thru 2e)
 3. A description of the proposed casing program for injection wells. (Liners will be installed in water injection wells if the proposed openhole Isoflow permeability profile surveys indicate that water injected in open hole will not efficiently flood the pay zones.) (Exhibits 3a thru 3f)

Other pertinent data in support of this application is as follows:

Name and depth of formation into which water is to be injected: Grayburg (3750'-3950')

Kind of fluid to be injected: Salt water

Anticipated amounts to be injected: 500 bbls. per well per day.

✓ Source of water for injection: Cass Pool Produced Water - Pennsylvanian Formation Disposal System (Located 2 mi. west in Sec. 23, T-20S, R-37E.)

The Applicant is co-owner and operator of the Southeast Monument Unit which contains among other acreage the following tracts:

E/2 of Sec. 24, T-20S, R-37E
N/2 of Sec. 30, T-20S, R-38E
S/2 of Sec. 19, T-20S, R-38E
NW/4 of Sec. 19, T-20S, R-38E
SW/4 NE/4 of Sec. 19, T-20S, R-38E
NE/4 NE/4 of Sec. 25, T-20S, R-37E

In order that the proposed pilot water flood be operated in accordance with sound and practical engineering principles and in order that the feasibility of this water flood project be established so as to provide a basis for the expansion of the waterflood project to include all acreage within the Southeast Monument Unit and thereby recover otherwise unrecoverable oil, we request that permission be granted to convert for the purpose of water injection the following described wells:

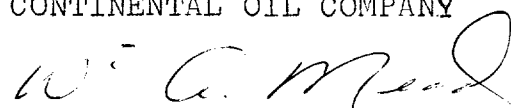
~~/~~ SEMU Permian No. 14, NE/4 SE/4 Sec. 24, T-20S, R-37E
~~/~~ SEMU Permian No. 18, NE/4 SW/4 Sec. 19, T-20S, R-38E
~~/~~ SEMU Permian No. 20, SW/4 SW/4 Sec. 19, T-20S, R-38E
~~/~~ SEMU Permian No. 21, SW/4 SE/4 Sec. 19, T-20S, R-38E
~~/~~ SEMU Permian No. 28, SW/4 NW/4 Sec. 19, T-20S, R-38E
~~/~~ SEMU Permian No. 23, NE/4 NW/4 Sec. 30, T-20S, R-38E

Wherefore, Applicant respectfully requests that this matter be set for examiner hearing, and after due notice and hearing, the Oil Conservation Commission enter its order granting this application.

The Office of the State Engineer has been supplied a copy of this application, together with the required information outlined in Memorandum No. 5-58.

Respectfully submitted,

CONTINENTAL OIL COMPANY



Wm. A. MEAD
Division Superintendent
of Production
New Mexico Division

WAM-PD

cc: Office of State Engineer
P. O. Box 1079
Santa Fe, New Mexico