

BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION

IN THE MATTER OF THE APPLICATION OF)
SKELLY OIL COMPANY FOR AUTHORITY TO)
INJECT FLUID INTO THE SAN ANDRES)
FORMATION IN THE LOVINGTON SAN ANDRES)
FIELD, LEA COUNTY, NEW MEXICO.)

CASE

2592

FILED

HEARING

A P P L I C A T I O N

Comes now Skelly Oil Company on behalf of itself and others and respectfully states as follows:

1. That it is an owner and operator of oil and gas wells in the Lovington San Andres Field, Lea County, New Mexico.

2. That it desires to conduct secondary recovery operations in this field by injecting fluids into the San Andres formation, which formation shall be described and construed to mean the formation and reservoir encountered in the drilling by Amerada Petroleum Company's State "LA" Lease Well No. 1 between the depths of 4334 feet and 5240 feet as shown by the Gamma Ray Log of said well, which well is located in the NW/4 of the NE/4 of Section 1, Township 17 South, Range 36 East, Lea County, New Mexico.

3. That applicant proposes to conduct secondary recovery operations by injection of fluids into the San Andres formation, above described, in an area known as the Lovington San Andres Unit, which unit consists of portions of Townships 16 and 17 South, and Ranges 36 and 37 East, Lea County, New Mexico, containing an area of 2,469.81 acres, more or less, which area is more specifically set out on a map entitled "Figure 1 of Exhibit 'A'" attached hereto and made a part hereof by reference.

4. That initially applicant proposes to inject fluid into 17 wells as follows:

<u>Well</u>	<u>Location</u>
Late Oil Co. Graham #1	Unit D, Sec. 31-16S-37E
Skelly - State "N" #1	Unit B, Sec. 36-16S-36E
Rodman Noel - State "AB" #2 (to be drilled)	Unit L, Sec. 36-16S-36E
Tidewater - State "M" #2 (to be drilled)	Unit J, Sec. 36-16S-36E
Skelly - State "O" #2	Unit L, Sec. 31-16S-37E
Skelly - State "O" #4	Unit J, Sec. 31-16S-37E
Tidewater - State "P" #2	Unit L, Sec. 32-16S-37E
Moran Shipp - State "A" #1	Unit D, Sec. 5 -17S-37E
Skelly - Caylor #1	Unit B, Sec. 6 -17S-37E
Sunray D-X - M. Caylor #1	Unit D, Sec. 6 -17S-37E
Amerada - State "LA" #6	Unit B, Sec. 1 -17S-36E
Pan American - State "E" #3	Unit D, Sec. 1 -17S-36E
Pan American - State "E" #10	Unit B, Sec. 2 -17S-36E
Mobil - State "R" #4	Unit J, Sec. 2 -17S-36E
Amerada - State "LA" #7	Unit L, Sec. 1 -17S-36E
Mobil - State "R" #1	Unit J, Sec. 1 -17S-36E
Pan American and Amerada - Caylor #1	Unit L, Sec. 6 -17S-37E

Lea County, New Mexico. These wells are shown on a map marked "Figure 1 of Exhibit 'A'" above referred to, and further applicant may in the future desire to expand the secondary recovery project to include other wells within the unit area.

5. That attached hereto is a map marked "Figure 1 of Exhibit 'A'" which shows the proposed injection wells and the location of all wells and lessees within the limits of the field or a two-mile radius of said proposed injection wells.

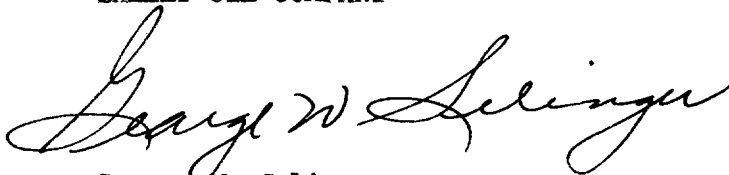
6. That applicant proposes to use as a primary source of injection fluids fresh water from the Ogalalla formation present in the area, supplementing said water with produced water from the San Andres formation as the flood progresses.

Applicant proposes to inject initially between 8,000 barrels and 10,000 barrels of water per day.

WHEREFORE, PREMISES CONSIDERED, applicant prays that this Commission, after the giving of notice as required by law, set this application down for hearing and that at the conclusion of said hearing based on the evidence produced, that it issue an order authorizing applicant to inject fluid and conduct secondary recovery operations within the Lovington San Andres Unit by authorizing the injection of water into 17 wells in the unit area, provide for the expansion of the secondary recovery project without the necessity of further hearings, and other rules and regulations, and orders as may be necessary in the premises.

Respectfully submitted,

SKELLY OIL COMPANY

A handwritten signature in cursive script, reading "George W. Selinger".

George W. Selinger
Its Attorney

Of Counsel
L. C. White
Gilbert, White & Gilbert
Santa Fe, New Mexico