

August 11, 1965 Examiner Hearing

TOWNSHIP 30 NORTH, RANGE 9 WEST - Cont'd

Florance No. 6, Unit M, Section 23
Florance No. 13, Unit B, Section 18
Florance No. 20, Unit B, Section 24
Prichard No. 1, Unit M, Section 1
Riddle No. 1, Unit B, Section 21
Riddle No. 2, Unit N, Section 17
State No. 1, Unit M, Section 32
State No. 2, Unit M, Section 16
Florance No. 8, Unit N, Section 14
Florance No. 16-X, Unit A, Section 6

TOWNSHIP 30 NORTH, RANGE 8 WEST

Florance No. 39, Unit B, Section 35
Florance No. 45, Unit G, Section 22
Florance No. 29, Unit K, Section 25
Florance No. 37, Unit H, Section 6
Florance No. 40, Unit G, Section 21
Moore No. 1, Unit N, Section 8

All of the above wells are presently completed in the Blanco-Mesa-verde Pool. Applicant proposes to set a whipstock above the Mesa-verde producing interval and to directionally drill recompleting said wells in the Mesaverde formation, and in some instances, to further drill to the Dakota producing interval thereby permitting dual completion of the wells to produce gas from the Blanco-Mesa-verde and Basin-Dakota Gas Pools. Applicant further proposes to conduct appropriate deviation tests to ensure that none of the wells is completed nearer than 200 feet to the outer boundaries of its proration unit.

CASE 3289: Application of Kewanee Oil Company for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Atoka-Grayburg Unit Area comprising 560 acres, more or less, of fee land in Sections 13 and 14, Township 18 South, Range 26 East, Eddy County, New Mexico.

CASE 3290: Application of Kewanee Oil Company for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the Atoka-Grayburg Pool, Eddy County, New Mexico, by the injection of water into the Grayburg formation through two injection wells in Section 13, Township 18 South, Range 26 East.

CASE 3291: Application of Kewanee Oil Company for a waterflood project, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the Atoka-San Andres Pool, Eddy County, New Mexico, by the injection of water into the San Andres formation through one injection well in Section 13, Township 18 South, Range 26 East.

CASE 3092 and CASE 3093 (Reopened):

In the matter of Case No. 3092 and Case 3093 being reopened pursuant to the provisions of Orders Nos. R-2756 and R-2757, which orders established 80-acre spacing units for the Osudo-Upper Bone Spring

DOCKET: EXAMINER HEARING - WEDNESDAY - AUGUST 11, 1965

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Elvis A. Utz, Examiner, or Daniel S. Nutter, Alternate Examiner:

CASE 3283: In the matter of the hearing called by the Oil Conservation Commission on its own motion to consider the adoption of a new "Manual of Back-Pressure Testing of Gas Wells" in the State of New Mexico, said manual being an adaptation of the test manual recently adopted by the Interstate Oil Compact Commission. Modification of several existing gas well test forms and adoption of several new forms will also be considered.

A copy of the proposed testing manual, complete with tables, charts, and specimens of the various forms, is available for inspection in the Santa Fe, Hobbs, Aztec, and Artesia offices of the Commission.

CASE 3284: Application of Foster Morrell for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Willow Draw Unit Area comprising 3840 acres, more or less, of State and Federal lands in Township 20 South, Range 26 East, Eddy County, New Mexico.

CASE 3285: Application of Richfield Oil Corporation for a unit agreement, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Avalon Unit Area comprising 11,154 acres, more or less, of Federal, State and Fee lands in Township 21 South, Ranges 25 and 26 East, Eddy County, New Mexico.

CASE 3286: Application of Skelly Oil Company for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in its Skelly Penrose "B" Unit, Langlie-Mattix Pool, Lea County, New Mexico, by the injection of water into the Queen formation through 33 injection wells in Sections 31 and 32, Township 22 South, Range 37 East, and Sections 4, 5, 6, 7, 8 and 9, Township 23 South, Range 37 East.

CASE 3287: Application of Texaco Inc. for a waterflood project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in the Langlie-Mattix Pool by the injection of water into the Queen formation through two wells in Section 21, Township 24 South, Range 37 East, Lea County, New Mexico.

CASE 3288: Application of Tenneco Oil Company for directional drilling, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks authority to recomplete by means of directional drilling the following wells:

TOWNSHIP 29 NORTH, RANGE 9 WEST
Florance No. 22, Unit H, Section 12

TOWNSHIP 30 NORTH, RANGE 9 WEST
Florance No. 2, Unit A, Section 20
Florance No. 3, Unit M, Section 22
Florance No. 4, Unit L, Section 10

State of New Mexico
Oil Conservation Commission



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

August 16, 1965

Re: Case No. 3286
Order No. R-2956
Applicant:

SKELLY OIL COMPANY

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

A. L. Porter, Jr.
A. L. PORTER, Jr.
Secretary-Director

Carbon copy of order also sent to:

OTHER

Ron J. Jacobs

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OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO

January 4, 1966

Mr. George W. Selinger
Skelly Oil Company
P. O. Box 1650
Tulsa, Oklahoma

Dear Mr. Selinger:

Reference is made to our letter of September 14, 1965,
regarding your Skelly Penrose "B" Unit Waterflood Project, Lea
County, New Mexico.

Paragraph (3) refers to a well which is to be drilled in
the SW/4 SE/4 of Section 8; please correct this to read NW/4 SE/4
of Section 8.

Very truly yours,

DANIEL S. NUTTER
Chief Engineer

DSN:sg

cc: Oil Conservation Commission - Hobbs
Mr. Frank Irby, State Engineer Office - Santa Fe
✓Case File 3286

OIL CONSERVATION COMMISSION
P. O. BOX 871
SANTA FE, NEW MEXICO

September 14, 1965

Mr. George Selinger
Skelly Oil Company
Post Office Box 1650
Tulsa, Oklahoma 74102

Dear Mr. Selinger:

Reference is made to Commission Order No. R-2956, recently entered in Case No. 3286, approving the Skelly Penrose "B" Unit Waterflood Project.

Injection is to be through the 33 authorized water injection wells which shall be equipped with plastic-coated tubing and packers. Packers shall be set approximately 50 feet above the uppermost perforation except in the case of the one well completed open-hole, in which the packer shall be set approximately 50 feet above the casing-shoe.

As to allowable, our calculations indicate that 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 2646 barrels per day. In addition, the project will be eligible for an additional 42 barrels when an oil well producing from the Langlie-Mattix Pool has been completed in the SW/4 SE/4 of Section 8, Township 23 South, Range 37 East.

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.

OIL CONSERVATION COMMISSION
P. O. BOX 871
SANTA FE, NEW MEXICO

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Mr. George Selinger
Skelly Oil Company
Tulsa, Oklahoma

September 14, 1965

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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

ALP/DSM/lr

cc: Mr. Frank Irby
State Engineer Office
Santa Fe, New Mexico

Oil Conservation Commission
Hobbs, New Mexico

MAILED
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John W. Selinger

July 21, 1965

Mr. George W. Selinger
Skelly Oil Company
Box 1650
Tulsa, Oklahoma 74102

Dear Mr. Selinger:

Receipt of a copy of Skelly Oil Company's application to convert, recomplete and drill the 33 wells, tabulated in the application, for injection purposes in the Langlie-Mattix Pool is hereby acknowledged. I have the following questions which I would appreciate answers to:

1. What is the location of the source water well to be used?
2. Will the source water well be opened to both the Seven Rivers formation and the Capitan Reef?
3. What is the analysis of the source water (each source, if the two are not in communication)?
4. What is the life expectancy of the project?
5. From your computations, what is the answer to-----
367.4 acre feet x project life expectancy in years minus
produced water to be re-injected?
6. On the diagrammatic sketches one well appears without number as Unit D of Sec. 9 which appears to be numbered 42 on your Exhibit A. Am I confused on this particular well?
7. What will be the construction and equipment program of the unnumbered well to be drilled in Unit J of Sec. 8?

8. How was the top of the cement surrounding the production string determined on the following wells?

No. 32, No. 36, No. 38, No. 40, No. 52, No. 54, No. 56, No. 59, No. 61 and those wells located in Unit D of Sec. 9 and Unit F of Sec. 8.

9. Where is the top of the cement "re land surface" surrounding the surface string on each of the 33 wells to which the application pertains?

My thanks in advance for this information.

Sincerely yours,

S. E. Reynolds
State Engineer

By:

Frank E. Irby
Chief
Water Rights Div.

FEI/ma

cc-Mr. A. L. Porter, Jr.

Mr. Joe Ramey

WHITE, GILBERT, KOCH & KELLY
(GILBERT, WHITE AND GILBERT)

ATTORNEYS AND COUNSELORS AT LAW

LINCOLN BUILDING

SANTA FE, NEW MEXICO

July 21, 1965

CARL H. GILBERT (1891-1963)

L. C. WHITE

WILLIAM W. GILBERT

SUMNER S. KOCH

WILLIAM BOOKER KELLY

JOHN F. MCCARTHY, JR.

Case 3286

POST OFFICE BOX 787

TELEPHONE 982-4301

(AREA CODE 505)

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico

Re: Skelly Penrose "B" Unit, Lea
County, New Mexico
Examiner Hearing August 11, 1965

Gentlemen:

May this letter serve as a matter of record that we are acting as local counsel for Skelly Oil Company in their application for permission to conduct a waterflood project on the Skelly Penrose "B" Unit, Lea County, which is scheduled for hearing before an examiner on August 11, 1965.

Very truly yours,

L. C. White

L. C. WHITE

LCW:el

CC: Mr. George W. Selinger
Skelly Oil Company

DOCKET MAILED

Date 1-30-65



SKELLY OIL COMPANY

P. O. Box 1650
TULSA, OKLAHOMA 74102

PRODUCTION DEPARTMENT

C. L. BLACKSHER, VICE PRESIDENT
W. P. WHITMORE, MGR. PRODUCTION
W. D. CARSON, MGR. TECHNICAL SERVICES
ROBERT G. HILTZ, MGR. JOINT OPERATIONS
GEORGE W. SELINGER, MGR. CONSERVATION

September 24, 1965

Re: Commission Order R-2956
Skelly's Penrose "B" Unit
Lea County, New Mexico

Mr. Daniel Mutter
Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Dear Mr. Mutter:

We have your letter of September 14th approving the water injection project under our Skelly Penrose "B" Unit, Lea County, New Mexico.

Kindly refer to Paragraph 3, last line thereof. The location is in error reading SW/4 SE/4, whereas the correct and true location should read NW/4 SE/4.

Will you kindly correct your September 14th letter to reflect the true circumstances thereof.

Yours very truly,

George W. Selinger

GWS:br