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May 17, 1971

Getty Oil Company  
P. O. Box 1231  
Midland, Texas 79701

Re: Justis McKee Unit  
TERMINATION  
Lea County, New Mexico

ATTENTION: Mr. Lawrence B. Lindahl

Gentlemen:

We are in receipt of your Termination Instruments for the Justis McKee Unit, Lea County, New Mexico, as per Section 21 of the Unit Agreement. The Commissioner of Public Lands has this date given approval to your Termination, subject to like approval by the United States Geological Survey.

Enclosed are five (5) Certificates of Termination reflecting the Commissioner's approval.

Sincerely yours,

GORDON G. MARCUM, II, Director  
Oil and Gas

AJA/GGM/s  
encls.

cc: USGS-Roswell, New Mexico (ltr. only)  
OCC-Santa Fe, New Mexico (ltr. only) ✓

# Getty Oil Company

P.O. Box 1231, Midland, Texas 79701

~~Admitted by~~ North American E & P Division

July 27, 1971

3300

The Supervisor  
United States Geological Survey  
P. O. Drawer 1857  
Roswell, New Mexico 88201

Attention: Mr. Carl C. Traywick

Re: Termination of Justis  
McKee Unit #14-09-0001-8720  
Lea County, New Mexico

Gentlemen:

Please consider this letter as Getty Oil Company's request to terminate the subject unit.

As requested by your Mr. Traywick, I am including herewith the original signed ballots of Working Interest Owners approving this termination. Also included are four copies of the Certificate of Approval showing the approval to terminate by the Commissioner of Public Lands. Attached to each Certificate is Getty Oil Company's termination instrument which will be filed in the Public Records.

Getty Oil Company has contacted former lease operators and has been advised that upon termination of the Justis McKee Unit, all production from the McKee zone will cease. We recognize that at this late date, the United States Geological Survey will be unable to give its approval to this termination until sometime during the month of June. This would make the effective date of termination July 1, 1971, at which time a joint gauging of the tanks will be held and stocks on hand will be distributed to the owners on the unitized basis.

Although Section 21 of the Unit Agreement specifies that the termination should be approved by the Commissioner and the Director, you have advised that the Supervisor may have the authority to act in this capacity and grant the necessary approval to terminate the unit.

If you find the enclosed attachments satisfactory, kindly obtain the required approval on behalf of the Bureau of Land Management and return at least one signed copy to me for filing in the Public Records.

Thank you for your consideration in this regard.

Very truly yours,

GETTY OIL COMPANY

Original Signed By  
LAWRENCE B. LINDAHL

Lawrence B. Lindahl

2/2/58  
Attachments

CC: Commissioner of Public Lands  
P. O. Box 1148  
Santa Fe, New Mexico 87501  
Attention: Permit Division

Director, Bureau of Land Management  
P. O. Box 1489  
Santa Fe, New Mexico 87501

Oil Conservation Commission  
State of New Mexico  
P. O. Box 2088  
Santa Fe, New Mexico 87501

THIS  
COPY FOR

Mid-Continent Division J. E. Pierce, Midland District Production Manager

January 26, 1971

WORKING INTEREST OWNERS  
JUSTIS MCKEE UNIT  
LEA COUNTY, NEW MEXICO

Gentlemen:

JEP	WJN
WCP	HOV
TEL	VCS
VLA	SNB
BJJ	QLW
GEO	INW
DB	N & D
Circ	N & R
F-#	452-14-11

An Engineering Subcommittee meeting was held January 15, 1971, in Getty Oil Company's Conference Room, 10th Floor of the Vaughn Building, Midland, Texas. The attendance list is attached. Purpose of the meeting was to examine the results of the injectivity test in Well No. 108, and recommend the next course of action. Please refer to previous letters to the Working Interest Owners dated May 19, June 2, and December 31, 1970.

After examining the test data the committee agreed that the injection rate in No. 108 was not sufficient for an effective sweep. Getty Oil Company then proposed that the unit be terminated. This proposal was based on the following:

- (1) Average injection rate since injection began is 807 BWPD. The engineering study estimated injection requirements to be 5165 BWPD until fillup and 1641 BWPD thereafter.
- (2) The injection system has operated for three years at maximum pressure. Injection began in October, 1967 with maximum pressure at 1000 psi. In November, 1967, plungers were reduced in size increasing maximum pressure to 1700 psi. In November, 1968, plungers were again reduced increasing maximum pressure to 2200 psi.
- (3) It is possible that adequate rates could be achieved with pressures in excess of 3000 psi but this would require a complete new system, the cost of which would be prohibitive.
- (4) The engineering study estimated fillup requirement to be 2,000,000 barrels. Total water injected through October, 1970 (approximately 3 years injecting) is 883,775 barrels.
- (5) Although fillup was not reached, sufficient water has been injected for response in offset producers but there has been no response.

Working Interest Owners  
Justis McKee Unit  
Ira County, New Mexico

Page - 2 -

January 26, 1971

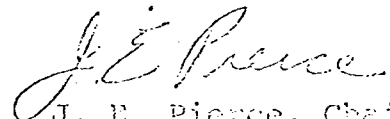
- (6) Injectivity profiles were run in the injection wells and all had satisfactory distribution throughout the McKee zones.
- (7) The NMOCC would not allow injection in wells 117 and 305 because of Ellenburger production below the McKee. Remaining life of the Ellenburger in these two wells is approximately 5 years.
- (8) Injection into wells 108 and 701 was approved, but the test made in 108 shows that only slightly better rates could be expected in 108 and 701, than in the other injection wells.
- (9) Operating with a crippled pattern (two additional injection wells instead of four) would improve total injection rate by only 830 BWPD. At best, fillup could be expected in 22 months (October 1972).
- (10) If operation of the unit is to be continued, an investment of \$35,000 will be required to convert wells 108 and 701, repair one pump foundation and install the injection lines.

After thoroughly discussing all aspects of the unit, the Subcommittee could offer no alternatives to Getty Oil Company's proposal to terminate the unit.

In accordance with Section 21 of the Unit Agreement a ballot is attached for Working Interest Owner approval to terminate the Justis McKee Unit.

Upon receipt of 90% (Phase II) approval from the Working Interest Owners, Getty Oil Company will seek approval from the New Mexico Land Commissioner and Director of the U.S.G.S. and notify all parties of the termination.

Very truly yours,



J. E. Pierce, Chairman  
Working Interest Owners  
Committee

WCS:rt

Attach.