

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 5197
Order No. R-4785

APPLICATION OF SKELLY OIL COMPANY
FOR A WATERFLOOD PROJECT AND A
DUAL COMPLETION, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on March 27, 1974, at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 21st day of May, 1974, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant, Skelly Oil Company, seeks authority to institute a waterflood project by injection of water into the Seven Rivers-Queen formation in its J. C. Johnson Well No. 4, located in Unit D of Section 20, Township 23 South, Range 37 East, NMPM, Langlie-Mattix Pool, Lea County, New Mexico.
- (3) That the applicant further seeks authority to recomplete said J. C. Johnson Well No. 4, located in Unit D of Section 20, Township 23 South, Range 37 East, NMPM, Lea County, New Mexico, as a dual completion (conventional) to also produce gas from the Jalmat gas pool through the casing-tubing annulus with separation of the zones by means of a packer set at approximately 3,375 feet.
- (4) That the applicant further seeks the establishment of an administrative procedure whereby additional wells may be converted to injection and the project area expanded without notice and hearing.
- (5) That the well in the proposed waterflood project area is in an advanced state of depletion and may properly be classified as a "stripper" well.

-2-

CASE NO. 5197
Order No. R-4785

(6) That approval of the subject waterflood will result in the recovery of gas which would otherwise not be recovered, thereby preventing waste and protecting correlative rights.

(7) That the mechanics of the proposed dual completion are feasible and in accordance with good conservation practices.

(8) That the operator should take all steps necessary to ensure that the injected water enters only the proposed injection zones and is not permitted to escape to other formations or onto the surface from injection, production, or plugged and abandoned wells.

(9) That the subject waterflood project should be approved and governed by Rules 701, 702, and 703 of the Commission Rules and Regulations.

(10) That the subject dual completion should be approved and produced in accordance with the provision of Rule 112-A of the Commission Rules and Regulations.

IT IS THEREFORE ORDERED:

(1) That the applicant, Skelly Oil Company, is hereby authorized to institute a waterflood project in the Langlie Mattix Field by the injection of water into the Seven Rivers-Queen formation through its J. C. Johnson Well No. 4, located in Unit D of Section 20, Township 23 South, Range 37 East, NMPM, Langlie-Mattix Pool, Lea County, New Mexico.

(2) That injection of water shall be through 2 3/8-inch internally coated tubing set in a packer located at approximately 3375 feet.

(3) That the applicant is further authorized to recomplete its J. C. Johnson Well No. 4, located in Unit D of Section 20, Township 23 South, Range 37 East, NMPM, Lea County, New Mexico, as a dual completion (conventional) to produce gas from the Jalmat gas pool through the casing-tubing annulus with separation of the zones achieved by means of the packer set at approximately 3375 feet.

(4) That the operator shall immediately notify the supervisor of the Commission's Hobbs District Office of the failure of the tubing or packer in said injection well, the leakage of water or oil from around any producing well, or the leakage of water or oil from any plugged or abandoned well within the project area and shall take such timely steps as may be necessary or required to correct such failure or leakage.

(5) That the above authorized waterflood project is hereby designated the Skelly Johnson Langlie-Mattix Waterflood Project and shall be governed by the provisions of Rules 701, 702, and 703 of the Commission Rules and Regulations.

-3-

CASE NO. 5197
Order No. R-4785

(6) That monthly progress reports of the waterflood project herein authorized shall be submitted to the Commission in accordance with Rules 704 and 1120 of the Commission Rules and Regulations.

(7) That the applicant shall complete and operate its J. C. Johnson Well No. 4, as hereinabove described, in accordance with Rule 112-A of the Commission Rules and Regulations insofar as said rule is not inconsistent with this order.

(8) That the applicant shall take packer-leakage tests on its J. C. Johnson Well No. 4, as hereinabove described, upon its completion and annually thereafter during the Annual Gas Well Shut-In Pressure Test Period.

(9) That a procedure is hereby established for the expansion of the project area and the inclusion of additional wells on the applicant's J. C. Johnson Lease in the waterflood project; that application for approval of additional water injection wells shall be made in accordance with the provisions of Rule 701 E-4 of the Commission Rules and Regulations.

(10) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


I. R. TRUJILLO, Chairman

ALEX J. ARMIJO, Member


A. L. PORTER, JR., Member & Secretary



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