

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. 3397  
Order No. R-3062

APPLICATION OF TEXACO INC. FOR APPROVAL  
OF THE SKAGGS GRAYBURG UNIT AGREEMENT,  
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on April 27, 1966,  
at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 4th day of May, 1966, 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, Texaco Inc., seeks approval of the  
Skaggs Grayburg Unit Agreement covering 980 acres, more or less,  
of Fee land described as follows:

LEA COUNTY, NEW MEXICO

TOWNSHIP 20 SOUTH, RANGE 37 EAST, NMPM

Section 12: SW/4 SW/4, E/2 SW/4, and SE/4

Section 13: NW/4, E/2 NE/4, NW/4 NE/4,  
and NE/4 SW/4

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM

Section 7: W/2 SW/4 and SE/4 SW/4

Section 18: W/2 NW/4, NE/4 NW/4,  
and NW/4 NE/4

(3) That approval of the proposed unit agreement should  
promote the prevention of waste and the protection of correlative  
rights within the unit area.

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CASE No. 3397

Order No. R-3062

IT IS THEREFORE ORDERED:

(1) That the Skaggs Grayburg Unit Agreement is hereby approved.

(2) That the plan contained in said unit agreement for the development and operation of the unit area is hereby approved in principle as a proper conservation measure; provided, however, that notwithstanding any of the provisions contained in said unit agreement, this approval shall not be considered as waiving or relinquishing, in any manner, any right, duty, or obligation which is now, or may hereafter be, vested in the Commission to supervise and control operations for the exploration and development of any lands committed to the unit and production of oil or gas therefrom.

(3) That the unit operator shall file with the Commission an executed original or executed counterpart of the unit agreement within 30 days after the effective date thereof; that in the event of subsequent joinder by any party or expansion or contraction of the unit area, the unit operator shall file with the Commission within 30 days thereafter counterparts of the unit agreement reflecting the subscription of those interests having joined or ratified.

(4) That this order shall terminate ipso facto upon the termination of said unit agreement and the last unit operator shall notify the Commission immediately in writing of such termination.

(5) 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

*Jack M. Campbell*  
JACK M. CAMPBELL, Chairman

*Guyton B. Hays*  
GUYTON B. HAYS, Member

*A. L. Porter, Jr.*  
A. L. PORTER, Jr., Member & Secretary

TEXACO  
INC.

PETROLEUM PRODUCTS

DOMESTIC PRODUCING DEPARTMENT  
MIDLAND DIVISION



March 24, 1966

REQUEST FOR HEARING  
UNITIZATION AND SECONDARY RECOVERY  
SKAGGS (GRAYBURG) OIL POOL  
LEA COUNTY, NEW MEXICO

Secretary Director  
New Mexico Oil Conservation Commission  
P. O. Box 2088  
Santa Fe, New Mexico 87501

Dear Sir:

As provided by Rule 1203, Texaco Inc. hereby submits in triplicate a request for an Examiner Hearing in Santa Fe, New Mexico, to consider an application for unitizing and waterflooding ten tracts comprising a total area of approximately 880 acres in the Skaggs (Grayburg) Oil Pool in Lea County, New Mexico. The Unit Agreement has currently been ratified by 92.1 percent of the total working interest and 75.0 percent of the total royalty interest in the unit. It is planned to convert ten of the twenty-two producing wells on these tracts to injectors, as shown by the attached plat. Injection will be into the Grayburg formation of Permian Age at an average depth of 3700 feet to 3950 feet. It is anticipated that initial injection rates will be approximately 200 to 500 barrels of water per day per well.

Fresh water is to be used for the injection fluid which is available from a fresh water supply well located 745' FNL and 300' FEL of Section 13, T-20-S, R-37-E. This well was drilled under Texaco's Water Permit L-4412 approved by the State Engineer in the Lea County Shallow Underground Basin in April, 1964 and is designated as Water Source Well No. L-4412. Upon completion, it tested for 200 gallons per minute. Two more water source wells are to be drilled and they will be positioned on a line running North-South through the existing well. The location of Water Supply Well No. L-4412-S has been filed with and approved by the State Engineer.

Oil Conservation Commission of New Mexico Order No. 4-1710, effective June 10, 1960, authorizes Continental Oil Company to waterflood the Grayburg formation on its Southeast Monument Unit, Skaggs Pool, Lea County, New Mexico, immediately to the south of the subject area. The subject waterflood project will be in cooperative agreement with Continental.

DOCKET MAILED

4-15-66  
Date

In compliance with Rule 701 of the New Mexico Oil Conservation Commission rules, we are including with this application for Examiner Hearing, a plat of the project area, a representative radioactive log, a diagrammatic sketch of a proposed injection well showing all information relevant to its current completion and proposed conversion to injection, a list of the fourteen working interest owners with addresses and a list of the six offset operators with addresses. Detailed information as required under this rule is being compiled at this time and will be furnished at the hearing.

A copy of this application and all attachments are being forwarded under separate cover on this date to the State Engineer's Office, Capitol Building, Santa Fe, New Mexico, requesting the approval of that office for this proposed waterflood project. A copy of this letter and all attachments except the well log are also being mailed this date to all offset operators and working interest owners.

Yours very truly,



C. L. Whigham  
Division Proration Engineer

CLW:jl

Attachments

NMOCC - Hobbs  
State Engineer  
LCW JSR HDR  
Offset Operators

SKAGGS GRABPITS UNIT  
LEA COUNTY, NEW MEXICO

WORKING INTEREST OWNERS

1. Dick Bench  
901 W. Missouri  
Midland, Texas
2. B. F. Oil Company  
901 W. Missouri  
Midland, Texas
3. D. O. Bomar  
Wilkinson-Foster Bldg.  
Midland, Texas
4. B. R. Creathouse  
Midland National Bank Bldg.  
Midland, Texas
5. E. Hall  
501 W. Scharbauer  
Midland, Texas
6. R. A. Hefner, III  
901 W. Missouri  
Midland, Texas
7. Hisson Drilg. Co.  
901 W. Missouri  
Midland, Texas
8. R. J. Hisson  
901 W. Missouri  
Midland, Texas
9. Manor Oil Co.  
901 W. Missouri  
Midland, Texas
10. David L. Morgan  
901 W. Missouri  
Midland, Texas
11. J. R. Sharp  
2804 Sentinel  
Midland, Texas
12. B. L. Sweet  
P. O. Box 51  
Hobbs, New Mexico
13. Texaco Inc.  
P. O. Box 3109  
Midland, Texas  
Attn.: Mr. T. W. Doyle
14. The Fluor Corporation Ltd.  
Midland Tower Bldg.  
Midland, Texas

OFFSEET OPERATORS  
PROPOSED SKAGGS GRAMBURG UNIT  
SKAGGS (GRAMBURG), ONE POOL  
LEA COUNTY, NEW MEXICO

Amerada Petroleum Corporation  
P. O. Box 668  
Hobbs, New Mexico

Cities Service  
P. O. Box 69  
Hobbs, New Mexico

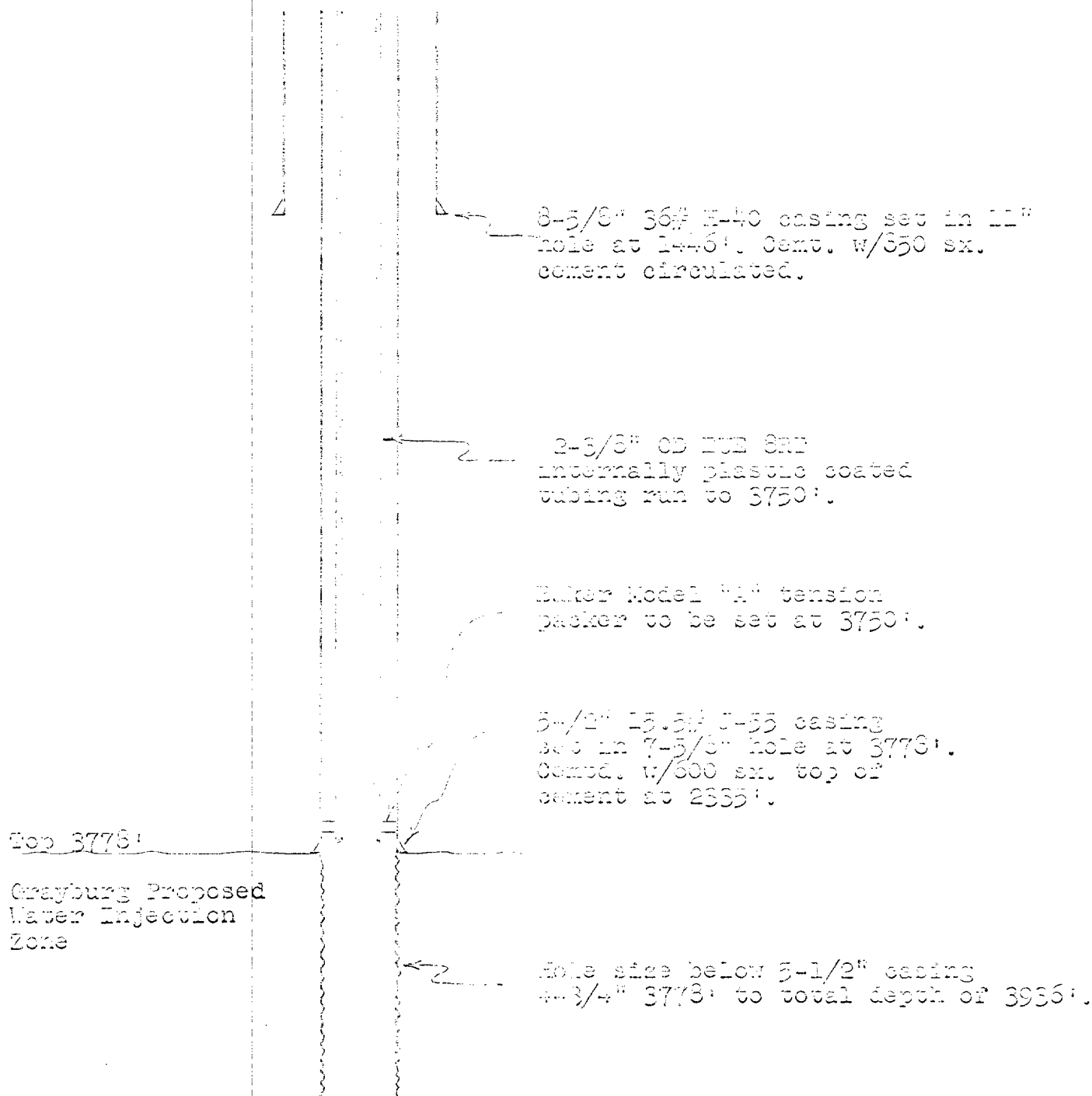
Continental Oil Company  
P. O. Box 427  
Hobbs, New Mexico

DeKalb Petroleum Corp.  
404 W. Illinois  
Midland, Texas

Tenaco Inc.  
P. O. Box 728  
Hobbs, New Mexico  
Attn: Mr. W. S. Bouldin

Midwater Oil Company  
P. O. Box 1231  
Midland, Texas

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DIAGRAMMATIC SKETCH OF  
PROPOSED INJECTION WELL

Texasco Inc., H. R. Marshaw Well No. 1  
Shaggs Grayburg Oil Pool  
Lea County, New Mexico

Well 3397

