

Case No.

1/5

Application, Transcript,
Small Exhibits, Etc.

NOTICE OF PUBLICATION
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

The Oil Conservation Commission of New Mexico, pursuant to law, hereby gives public notice of the following hearings to be had at a special meeting of the Commission to be held November 25, 1947, beginning at 10:00 o'clock a.m. on said date at Santa Fe, New Mexico.

STATE OF NEW MEXICO 101

All named parties in the following cases,
and notice to the public:

Case No. 114

In the matter of the application of Kewanee Oil Company for permission to drill a well on an unorthodox location 1,295 feet from the south line and 2,615 feet from the east line (SW corner SW $\frac{1}{4}$ SE $\frac{1}{4}$) section 27, T.21 S, R.32 E, N.M.P.M., in the Maljamar Pool, Lea County, New Mexico.

Case No. 115

In the matter of the application of Kewanee Oil Company for permission to convert to a producer, for the production of oil and gas, its Baish "B" I. P. Well No. 30, located 2,600 feet from the north line and 25 feet from the west line (SW corner SW $\frac{1}{4}$ NW $\frac{1}{4}$) section 27, T.17 S, R.32 E, N.M.P.M., in the Maljamar Pool, Lea County, New Mexico.

Case No. 108

In the matter of the application of Southern Union Production Company for approval of the Hope Unit Agreement, Eddy County, New Mexico, embracing the following lands:

Sections 17, 18, 19, 20, 29, 30, 31, 32 and the SW $\frac{1}{4}$ and NW $\frac{1}{4}$ of section 33, T.18 S, R.24 E, N.M.P.M.; sections 4, 5 and 6, T.19 S, R.24 E, N.M.P.M.; sections 13, 14, 15, 22, 23, 24, 25, 26, 27, 34, 35 and 36, T.18 S, R.23 E, N.M.P.M.; sections 1, 2 and 3, T.19 S, R.23 E, N.M.P.M., containing 17.134 acres, more or less.

Case No. 116

In the matter of the application of the New Mexico Oil Conservation Commission upon its own motion, upon recommendation of the New Mexico Nomenclature Committee, for an order deleting from the Robinson Pool, Eddy County, New Mexico, the E $\frac{1}{2}$ SE $\frac{1}{4}$ section 34, T.16 S, R.31 E, N.M.P.M., and to extend the boundary of the Square Lake Pool, Eddy County, New Mexico, so as to include the E $\frac{1}{2}$ section 34, T.16 S, R.31 E, N.M.P.M.

Given under the seal of the Oil Conservation Commission of New Mexico, in the name and on the behalf of the State of New Mexico, at Santa Fe this 10th day of November, 1947.

STATE OF NEW MEXICO

BY OIL CONSERVATION COMMISSION OF NEW MEXICO

R. R. SPURRIER, Secretary



BEFORE THE OIL CONSERVATION COMMISSION OF THE
STATE OF NEW MEXICO

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

CASE NO. 115

ORDER NO. 736

IN THE MATTER OF THE APPLICATION OF
KEWANEE OIL COMPANY FOR PERMISSION
TO CONVERT TO A PRODUCER FOR THE
PRODUCTION OF OIL AND GAS ITS BAISH
"B" I. P. WELL NO. 30, LOCATED 2,600
FEET FROM THE NORTH LINE AND 25 FEET
FROM THE WEST LINE (SW CORNER SW $\frac{1}{4}$ NW $\frac{1}{4}$)
SECTION 27, TOWNSHIP 17 SOUTH, RANGE
32 EAST, N.M.P.M. IN THE MALJAMAR
POOL, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This matter came on regularly for hearing at 10:00 o'clock A.M., on November 25, 1947, at Santa Fe, New Mexico before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission".

NOW, on this 25th day of November, 1947, the Commission having before it for consideration the testimony adduced at the hearing of said cause and being fully advised in the premises;

FINDS:

1. That due public notice having been given, the Commission has jurisdiction of the case and the subject matter thereof;
2. That petitioner is the owner of an oil and gas lease of United States Government leased land designated as Las Cruces Lease 057210 and which lease includes the SW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 27, Township 17 South, Range 32 East, N.M.P.M., Lea County, New Mexico;
3. That petitioner's present wells located on said tract are its Baish No. 9 I.P. located in the center of the said above described 40-acre unit and is a gas injection well used for injection purposes under the Maljamar Cooperative Repressuring Agreement and that its Baish "B" I.P. Well No. 30 located in the southwest corner of the said 40-acre unit was completed January 30, 1947, under the Maljamar Cooperative Repressuring Agreement program for the purpose of using said well as a gas injection well;
4. That from the evidence before the Commission it has been established that the said Baish "B" I.P. well No. 30 would be of greater value as a producing well than if it were used for gas injection service; that the conversion of this well to a producer would increase the ultimate recovery from the above described 40-acre lease unit; and that the continuation of Baish "B" No. 9 I.P. as an input well would insure maximum benefit to the gas injection program of the Maljamar Cooperative Repressuring Agreement;
5. That under the terms of the Maljamar Cooperative Repressuring Agreement operators of leases upon tracts of lands upon which are located gas injection wells are entitled in addition thereto to a compensating well for the production of oil and gas;
6. That no other lease operators are effected by the unorthodox well location of the well under consideration as petitioner is the owner of all 40-acre units adjoining and surrounding the above described tract of land;

IT IS THEREFORE ORDERED that Kewanee Oil Company, petitioner herein, be granted permission to convert to a producer for the production of oil and gas its Baish "B" I.P. Well No. 30 located 2600 feet from the north line and 25 feet from the west line (SW corner SW 1/4) Section 27, Township 17 South, Range 32 East, N.M.P.M., Maljamar Pool, Lea County, New Mexico.

IT IS THE FURTHER ORDER OF THE COMMISSION that the production from said well shall not exceed the unit allowable now or which hereafter may be fixed by the Commission for the Maljamar Pool.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

Thomas J. Mabry
Thomas J. Mabry, CHAIRMAN

John E. Miles
John E. Miles, MEMBER

R. R. Spurrer
R. R. Spurrer, SECRETARY

KIEWANEE OIL COMPANY

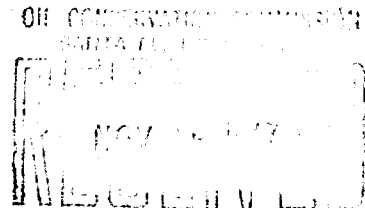
1004-11 KENNEDY BUILDING

J. B. STEELE,
SUPERINTENDENT.

TULSA 1, OKLAHOMA. October 30, 1947

Graham

State of New Mexico
Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico



Gentlemen:

There is enclosed herewith, in triplicate, application of Kewanee Oil Company for permission to convert to a producer, for the production of oil and gas, its Baish "B" I. P. Well #30, located in the SW $\frac{1}{4}$ NW $\frac{1}{4}$, Section 27-17S-32E, Lea County, New Mexico.

It would be appreciated if you would wire us, collect, the date this matter will be set for hearing.

Yours very truly,

E. H. Hastings
E. H. Hastings, Attorney

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BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF KEWANEE OIL
COMPANY FOR PERMISSION TO CONVERT TO A PRODUCER,
FOR THE PRODUCTION OF OIL AND GAS, ITS BAISH "B"
I.P. WELL NO. 30, LOCATED IN THE SW $\frac{1}{4}$ NW $\frac{1}{4}$,
SECTION 27-17S-32E, LEA COUNTY, NEW MEXICO.

CASE NO. _____

A P P L I C A T I O N

Comes now Kewanee Oil Company, a Delaware Corporation, duly
licensed to transact business in the State of New Mexico, and would
respectfully show to the Commission:

1. That it is engaged in the oil producing business and owns
and operates producing oil and gas leases in the State of New Mexico,
among which are its lease properties in what is known as the Maljamar Oil
Field of Lea County, New Mexico, including a lease on the tract of land
on which it desires to convert its Baish "B" I.P. well #30, gas input well,
to a producer for the production of oil and gas. This well is located in
the SW $\frac{1}{4}$ NW $\frac{1}{4}$, Section 27-17S-32E, Lea County, New Mexico, the exact
location of which is shown on a surveyors plat attached hereto as part of
"Exhibit A", together with copy of formal notice filed with the United
States Department of the Interior, Geological Survey, at the time said well
was drilled, also part of Exhibit A.

2. Applicant herein states that, in connection with the
operation of this lease property in the aforesaid oil field, on or about the
5th day of August, 1941, an agreement and program was entered into with
other operators of the said Maljamar Oil Field, for the purpose of a
cooperative gas injection program. This project was designated the
Maljamar Cooperative Repressuring Agreement, for brevity also referred to as
MCRA.

3. Applicant states that under the aforesaid MCRA, which was
approved by the United States Department of the Interior, Geological
Survey, Kewanee Oil Company's Baish "B" well #9, located 1980 feet from the
north line and 660 feet from the west line (CSW $\frac{1}{4}$ NW $\frac{1}{4}$) of Section 27-17S-32E,
Lea County, New Mexico, was converted into a gas input well on April 17, 1942
and from that date until October 4, 1946, 292,549,000 cubic feet of gas has
been injected into this well. Injection was discontinued on the above
referred to date to permit the laying of a new gas injection system and the

enlargement and revamping of the pressure maintenance plant connected with the injection project.

For the information of the Commission, this well had been completed for production on May 1, 1940, at a total depth of 4036 feet, with an initial production of 125 barrels per day. That the completion of this well reflected a well developed sixth zone, from 3836' to 3889'. Additional pay horizons were encountered in the lower San Andres section. The seventh zone carried good porosity and saturation from 3894' to 3954', and the eighth zone was well developed from 3980' to 4036'. The wells immediately offsetting Baish "B" #9 are also producing from both the Grayburg and San Andres sections. That situation was the reason that Baish "B" #9, now Baish "B" I.P. #9, was selected as a gas injection well by the Maljamar Cooperative Repressuring Agreement.

4. Applicant further states that the aforesaid well, Baish "B" #9, now designated Baish "B" I.P. #9, has demonstrated by performance the fact that it has been and is an exceptionally good gas injection well, as the benefits derived therefrom are best reflected in the following figures, to-wit:

From September, 1942 to January, 1947, the four producing wells immediately offsetting this gas injection well, namely Baish B #6, Baish B #4, Baish B #19 and Baish B #22, have produced 219,034 barrels of oil. During the same period bottom hole pressure on these same four wells only declined from an average of 1100 barrels per square inch to 1019 barrels per square inch, or an average well decline of 81 barrels. This decline represents .37 pounds pressure decline per 1000 barrels of oil produced. As of January 1, 1947, the gas-oil ratios on these same four wells averaged only 712 cubic feet per barrel.

From these figures it appears that exceptional results have been obtained from Baish B #9 as an input well, and that therefore its continuation as such is most definitely desired in order to assure maximum recovery.

5. Applicant states that in November, 1946, in accordance with a supplemental plan for drilling and reconditioning of injection wells, under the MCRA, approved by the United States Department of the Interior, Geological Survey, it commenced its Baish "B" I.P. #30, located 2600 feet from the north line and 25 feet from the west line (SWC SW $\frac{1}{4}$ NW $\frac{1}{4}$) of Section 27-17S-32E, Lea County, New Mexico, (Las Cruces 057210), which well was drilled for the purpose of using same as an input well. That this well was completed on January 30, 1947, at a total depth of 4088 feet and swabbed 140 barrels of oil per day on test without shooting. That in drilling this well there was drilled a well developed 6th zone, but little or no saturation was

encountered in the lower San Andres section. The seventh zone carried scattered porosity and saturation, and the 8th zone was entirely barren. This well, completed at 4088 feet, was some 50 or 60 feet above the water table, as found in this particular area. Therefore, as the San Andres pay sections were absent in this well, applicant considers, from the result and information from the drilling of said well, that maximum benefit to the gas injection program could not be obtained in utilizing this well for gas input service in preference to Baish "B" #9, which well by performance has demonstrated its value as to its use for input service.

6. Applicant further states that under the injection program of the MCRA, the owners and operators of such agreement agreed that owners and operators of tracts of land upon which gas injection wells were located should have the right to an additional compensating well for oil and gas on each 40-acre unit, if permission to do so could be obtained so that such operators could have a producing well on each 40-acre legal subdivision, in addition to the well being used as a gas injection well.

7. Applicant states that approval has been obtained from the United States Department of Interior, Geological Survey, for the conversion of the said Baish "B" I.P. #30 into a producer for the production of oil and gas, subject to approval of the resulting unorthodox well location by the New Mexico Oil Conservation Commission, and for the continuation of Baish "B" I.P. #9 as an input well and for designation of Baish "B" I.P. #30 as Baish "B" #30. Photostat copy of the application and approval of the United States Department of Interior, Geological Survey, is attached hereto as "Exhibit B".

8. Applicant further states that no other lease operators are affected by the unorthodox location of the well in question, which fact is reflected by the plat covering the Maljamar Cooperative Repressuring area, attached hereto as "Exhibit C".

WHEREFORE, applicant prays that the Commission set a date for a hearing on this application, and upon hearing, if proper showing is made, enter its order approving conversion of the said Kewanee Oil Company's Baish "B" I.P. #30 into a producer for the production of oil and gas, on the unorthodox location as aforesaid, and for the designation of said Baish "B" I.P. #30 as Baish "B" #30.

Respectfully Submitted,

KEWANEE OIL COMPANY

By *W.D. Albert*

ACKNOWLEDGMENT

STATE OF OKLAHOMA)
COUNTY OF TULSA) ss.

I, W. O. ALBERT, being first duly sworn upon oath, state: I am Ass't Superintendent of Kewanee Oil Company, a corporation; and I have read and understand the contents of the foregoing application and the facts therein alleged are true and correct.

SUBSCRIBED AND SWORN TO before me this 30th day of October, A.D. 1947.

My commission expires:

Mar. 15, 1948

W. O. Albert

[Signature]
Notary Public

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[Handwritten signature]



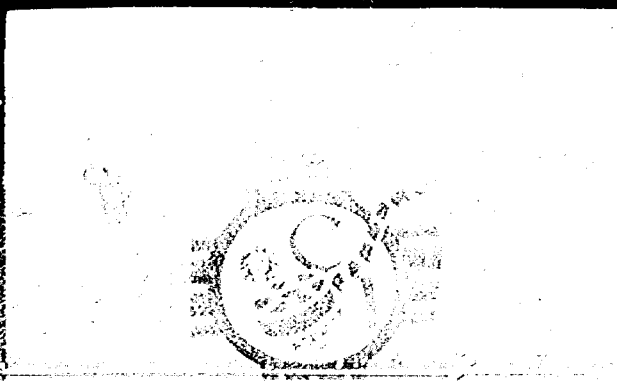
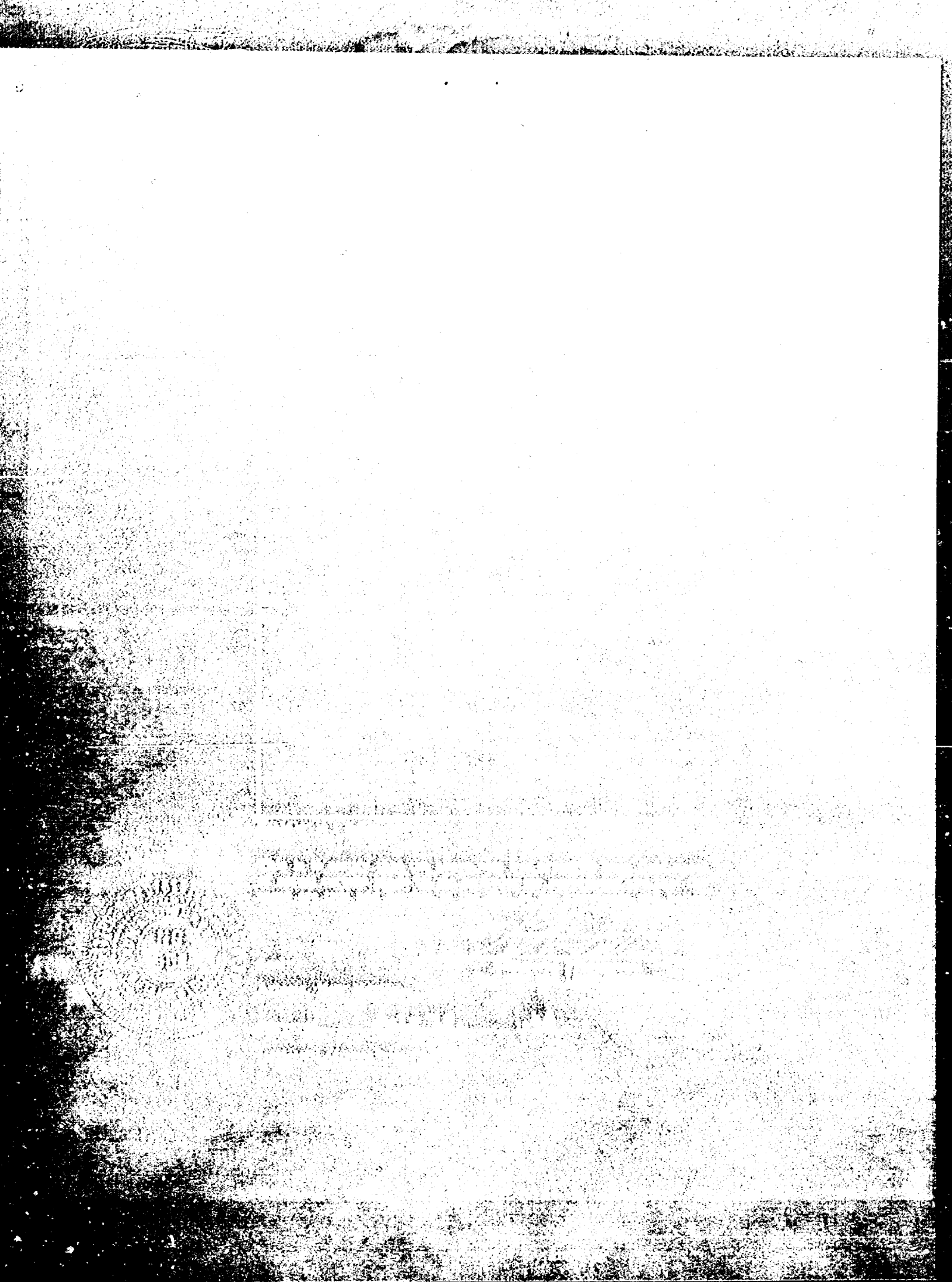


Exhibit "A"

EXHIBIT "B"

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

P. O. Box 997
Roswell, New Mexico
October 22, 1947

Kewanee Oil Company
1004-14 Kennedy Building
Tulsa 1, Oklahoma

Gentlemen:

Receipt is acknowledged of your application executed October 9, 1947, for an amendment and exception to "Amended Application for Approval of Plan for Drilling and Reconditioning of Injection Wells", approved July 10, 1946, Maljamar Cooperative Repressuring Area, Lea County, New Mexico.

The application states that Kewanee Oil Company's original Baish "B" well No. 9 located in the C SW $\frac{1}{4}$ sec. 27, T. 17 S., R. 32 E., was completed for production on May 1, 1940, at a total depth of 4,036 feet with an initial production of 125 barrels of oil per day and that on April 17, 1942, it was converted into a gas input well. From that date until October 4, 1946, 292,549,000 cubic feet of gas has been injected into this well. Injection was discontinued on the above referred date to permit the laying of a new gas injection system and the enlargement of the pressure maintenance plants connected with the injection project. It is further stated that well Baish "B" No. 9 has demonstrated by performance the fact that it has been and is an exceptionally good gas injection well.

It is also stated that, on November 19, 1946, in accordance with the plan for drilling and reconditioning injection wells, Kewanee Oil Company commenced its Baish "B" 30 well, located in the southwest corner of the SW $\frac{1}{4}$ of said section 17 which well was drilled for the purpose of using same as an input well. Approval of the drilling of this well was granted on July 10, 1946, with the understanding that injection wells drilled will be used for injection purposes only and not produced for oil or gas. This well was completed on January 30, 1947, at a depth of 4,088 feet and swabbed 140 barrels of oil per day on test without shooting. In drilling this well it was noted that there was a well developed sixth zone but little or no saturation was encountered in the lower San Andres section. The seventh zone covered scattered porosity and saturation and the eighth zone was entirely barren. As the San Andres pay sections were absent in this well you consider that maximum benefit to the gas injection program could not be obtained in utilizing this well for gas input service in preference to Baish "B" 9, which well by performance has demonstrated its value for use for input service.

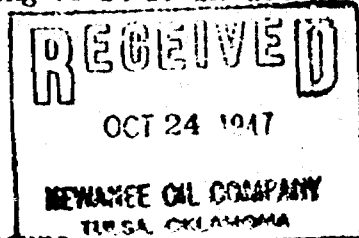
It is further stated that under the gas injection program and agreement provision is made that on a 140-acre subdivision where there is located an injection well the operator is entitled to a compensatory producer. You therefore request that you be permitted to convert well Baish "B" 30 into a producer and in case this office considers favorably the application you will petition the Conservation Commission of the State of New Mexico for approval of the resulting unorthodox well location pursuant to the rules and regulations of that body.

On the basis of the facts set forth in the subject application, which are deemed to be substantially correct, it is believed that well No. "B" 30 would be of greater value as a producing well than if it were used as a gas injection well and that it would increase the ultimate recovery from the leasehold. Producing this well will not create any inequities from drainage from other leases as the surrounding lands are held by your company. Accordingly, your application of October 9, 1947, is approved and considered an acceptable amendment to the plan for drilling and reconitioning injection wells, approved July 10, 1946, provided that the production from well Baish "B" 30 shall conform with the general and any special proration orders of the New Mexico Oil Conservation Commission. One conditionally approved copy of the application is returned herewith.

If the Oil Conservation Commission approves your petition you are requested to file a notice to produce this well on our form 9-331(a) for approval by the District Engineer before producing operations are commenced.

In the last paragraph of the application of October 9 you request that you be allowed to reverse the number of I.P. Baish "B" No. 30 and Baish "B" No. 9, and designate the present "B" 30 input as Baish "B" 9, and Baish "B" 9 I.P. as Baish "B" 30 I.P. It is believed that such a change would create unnecessary work and confusion in the many offices maintaining records of this producing area and would be of no particular benefit. Accordingly, the request to change well numbers or designations is denied.

For convenience and reference it is requested that the use of the letters "I.P." be discontinued from well Baish "B" 30 when it is converted into an oil well and that this designation be continued on well Baish "B" 9 as long as it is in use as an injection well.



Enclosure

Very truly yours,

Foster Morrell
FOSTER MORRELL,

Supervisor, Oil and Gas Operations.

cc: Kewanee Oil Company

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON, D. C.

RECEIVED
OCT 1 1947

U. S. GEOLOGICAL SURVEY
ROSIVELL, NEW MEXICO

Re: Application for an Amendment and
Exception to "Amended Application
for Approval of Plan for Drilling
and Reconditioning of Injection Wells"

To the Supervisor of United States Geological Survey,
Washington, D. C.

Come now, Kewanee Oil Company, a member of the Maljamar Cooperative
Repressuring Agreement and Supplemental thereto, joined by the Operators'
Committee, acting under and pursuant to the Maljamar Cooperative Repressuring
Agreement and Supplemental thereto, heretofore approved by the Honorable
Secretary of Interior and assigned Contract No. I-Sec. No. 341, and files
herewith its application for the modification and amendment of its "Amended
Application for Approval of Plan for Drilling and Reconditioning Injection
Wells" filed and approved July 10, 1946, by the Supervisor, Oil and Gas Opera-
tions, United States Department of Interior, Geological Survey, a copy of
which is attached hereto for convenient reference as "Exhibit A".

Applicants herein respectfully request that paragraph 3 of the
aforesaid approved plan for drilling and reconditioning injection wells,
"Exhibit A" be amended and modified to permit Kewanee Oil Company to convert
its input well Baish "B" No. 30 to a producer for the production of oil and
gas.

Applicants, for reason and in justification of its application for
the modification and amendment, as aforesaid, states and respectfully shows:

(1) That Kewanee Oil Company's original Baish "B" well #9, located
1980 feet from the north line and 660 feet from the west line (C SW $\frac{1}{4}$ NW $\frac{1}{4}$) of
Section 27, Township 17 South, Range 32 East, Lea County, New Mexico, (Las
Cruces Lease 057210) was completed for production on May 1, 1940, at a total
depth of 4036' with an initial production of 125 barrels per day. That the
completion of this well reflected a well developed 6th zone from 3836 to 3889
feet. Additional pay horizons were encountered in the lower San Andres
section. The 7th zone carried good porosity and saturation from 3894 to 3954
feet and the 8th zone was well developed from 3980 to 4036 feet. The wells
immediately offsetting Baish B #9 are also producing from both the Grayburg
and San Andres sections. That situation was the reason that Baish "B" #9
was selected as a gas injection well by the Maljamar Cooperative Repressuring
Agreement.

On April 17, 1942, Baish "B" #9 was converted into a gas input

well and from that date until October 4, 1946, 292,549,000 cubic feet of gas has been injected into this well. Injection was discontinued on the above referred to date to permit the laying of a new gas injection system and the enlargement and revamping of the pressure maintenance plant connected with the injection project.

(2) The aforesaid well, Baish B No. 9, now designated Baish "B" No. 9 I.P. well, has demonstrated by performance the fact that it has been and is an exceptionally good gas injection well, as the benefits derived therefrom are best reflected in the following figures, to-wit:

From September, 1942 to January, 1947, the four producing wells immediately offsetting this gas injection well, namely Baish B #6, Baish B #4, Baish B #19 and Baish B #22, have produced 219,034 barrels of oil. During the same period bottom hole pressure on these same four wells only declined from an average of 1100 barrels per square inch to 1019 barrels per square inch, or an average well decline of 81 barrels. This decline represents .37 barrels pressure decline per 1000 barrels of oil produced. As of January 1, 1947, the gas-oil ratios on these same four wells averaged only 712 cubic feet per barrel.

From these figures it appears that exceptional results have been obtained from Baish B #9 as an input well, and that therefore its continuation as such is most definitely desired in order to assure maximum recovery.

(3) In November, 1946, in accordance with the "Plan for Drilling and Reconditioning of Injection Wells" heretofore referred and approved by the United States Geological Survey, Kewanee Oil Company commenced its Baish B #30, located 2600 feet from the north line and 25 feet from the west line (SW corner SW $\frac{1}{4}$ NW $\frac{1}{4}$) of Section 27-17S-32E, Lea County, New Mexico, (Lease Las Cruces 057210), which well was drilled for the purpose of using same as an input well. That this well was completed on January 30, 1947, at a total depth of 4088 feet and swabbed 140 barrels of oil per day on test without shooting. That in drilling this well there was drilled a well developed 6th zone, but little or no saturation was encountered in the lower San Andres section. The 7th zone carried scattered porosity and saturation, and the 8th zone was entirely barren. This well, completed at 4088 feet, was some 50 or 60 feet above the water table, as found in this particular area. Therefore, as the San Andres pay sections were absent in this well, applicant considers, from the result and information from the drilling of said well, that maximum benefit to the gas injection program could not be obtained in utilizing this well for gas input service in

preference to Baish "B" #9, which well by performance has demonstrated its value as to its use for input service.

(4) Applicant further states that under the gas injection program and agreement it is provided that on the 40-acre subdivision where there is located an injection well, the operator is entitled to a compensating producer.

(5) Applicant further states that should the United States Department of the Interior, Geological Survey favorably consider this application, it will then petition the Conservation Commission of the State of New Mexico for approval of the resulting unorthodox well location, pursuant to all rules and regulations of that body.

(6) Applicant submits herewith the statement of Kewanee Oil Company in triplicate to the effect that Kewanee Oil Company agrees, in the event it is permitted to convert Baish "B" #30 to a producer, not to subdivide by assignment or otherwise the SW $\frac{1}{4}$ W $\frac{1}{4}$; NW $\frac{1}{4}$ SW $\frac{1}{4}$ Section 27; SE $\frac{1}{4}$ NE $\frac{1}{4}$; NE $\frac{1}{4}$ SE $\frac{1}{4}$ Section 28, Township 17 South, Range 32 East, unless and until well Baish "B" #30 is properly plugged and abandoned, and the abandonment is approved under the operating regulations.

WHEREFORE, the undersigned applicants respectfully request that this application be approved in order to permit Kewanee Oil Company to convert its Baish "B" well #30 into a producer for the recovery of oil and gas. Kewanee Oil Company further requests that if this application is favorably considered, that it be permitted to reverse the number of I.P. Baish "B" #30 and Baish "B" #9, and designate the present B #30 input as Baish "B" #9, and Baish "B" #9 I.P. as Baish "B" #30 I.P.

Dated this 9th day of October, 1947.

Approved as an acceptable amendment to the Plan for Drilling and Reconditioning of Injection Wells, approved July 10, 1946, for the Maljamar Cooperative Re-pressuring area except as to request for reversing the numbers of wells Baish "B" 30 and "B" #9, which request is hereby denied.

Lester Merrill
Supervisor, Oil and Gas Operations

October 22, 1947.

KEWANEE OIL COMPANY

By J. B. Steele

Superintendent

OPERATORS' COMMITTEE, ACTING UNDER
AND PURSUANT TO MALJAMAR COOPERATIVE
REPRESSURING AGREEMENT

By Emory Carper

Emory Carper, Chairman

UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON, D. C.

Re: Maljamar Cooperative
Repressuring Agreement
I-Geo. No. 341

AMENDED APPLICATION FOR APPROVAL OF PLAN FOR
DRILLING AND RECONDITIONING OF INJECTION WELLS

To The Supervisor of United States Geological Survey
Washington, D. C.

Comes the Operators' Committee, acting under and pursuant to the Maljamar Cooperative Repressuring Agreement and Supplement thereto, heretofore approved by the Honorable Secretary of the Interior, and assigned contract No. I-Geo. No. 341, and files its Amended Application for Approval of Plan for the Drilling and Reconditioning of Injection wells, and respectfully shows:

1. That the parties owning oil and gas leasehold interests subject to the Maljamar Cooperative Repressuring Agreement and Supplement thereto hereinabove referred to, have agreed among themselves and with each other to a program for the drilling and reconditioning of injection wells within the boundaries of the cooperative area upon the lands committed thereto, to be carried out in two 12 month periods, subject, however, to approval of the program and to the location of the injection wells by the Local Supervisor of the United States Geological Survey.

2. That there is attached hereto, made a part hereof, and for purposes of identification marked Exhibit "A", a plat of the cooperative area showing the location of the present wells being used as injection wells, and the injection wells which are proposed to be drilled and the respective locations thereof.

That there is attached hereto, made a part hereof, and for purposes of identification marked Exhibit "B", a schedule showing the injection well reconditioning and drilling program over the next two year period, which wells are numbered from 1 to 37, both inclusive, and which said numbers correspond with the numbers by which said injection wells are designated on the plat attached hereto as Exhibit "A".

It is proposed that 23 of these wells be drilled during the first twelve month period and upon their completion that 9 of the 13 present injection wells be converted into producers. This would give sufficient wells taking gas to conserve a large volume now being wasted. Fourteen additional injection wells would be drilled during the second twelve month period, which would complete the field pattern. The wells to be drilled or reconditioned during the first twelve month period are numbered from 1 to 23 inclusive, and the wells to be drilled during the second twelve month period are numbered from 24 to 37, inclusive, on the plat. Except for the present injection wells which are to be reconditioned, which wells are Nos. 1, 2, 3 and 25, as shown on the plat, the new injection wells would be located in each instance, not closer than

25 feet to any property line, as for example, well No. 4 would be located 30 feet South of the center of Section 19. These locations are as close to the geometric center of the four adjacent producing wells as practical, such wells still not being closer than 25 feet to a property line.

3. That the drilling and reconditioning program as outlined generally herein is to be carried out under the supervision of the Operators' Committee established under and acting pursuant to said Maljamar Cooperative Re-pressuring Agreement and supplement thereto, and the Operators' Committee is to prescribe the completion procedure, tests to be made and equipment to be used in connection with each injection well which is drilled so that all of said wells will be uniformly drilled, tested, and equipped so as to be used in the most efficient manner possible in furthering the objects and purposes of the Maljamar Cooperative Repressuring Agreement and Supplement thereto. It is to be understood and agreed by all of the leasehold owners upon which said wells are drilled that the same when drilled shall not be used for any purpose except as injection wells in connection with said pressure maintenance operations and are not to be regarded as wells drilled for production purposes or to be used for the production of oil and gas.

WHEREFORE the undersigned Operators' Committee respectfully requests that the general plan for drilling and reconditioning of injection wells under and pursuant to the Maljamar Cooperative Repressuring Agreement and Supplement thereto as outlined herein, be approved.

Dated this 9th day of July, 1946.

OPERATORS' COMMITTEE, ACTING UNDER AND PURSUANT
TO MALJAMAR COOPERATIVE REPRESSURING AGREEMENT

By (signed) Emory Cooper
Chairman

Approved as a generalized plan for conditioning of present injection wells and drilling of new injection wells within the Malheur Cooperative Reprocessing Agreement with the exception of well No. 6 to be drilled in the SE corner, SE/4 NE/4 Sec. 22, T. 17S., R. 32 E. offsetting the NW/4 SW/4 Sec. 28 not committed to the agreement. An opinion from the Department is necessary before drilling of this well is approved as it involves payments by a party not committed to the agreement.

It is also to be understood that injection wells drilled will be used for injection purposes only and not produced for oil or gas and that an intention to drill will be submitted for each well showing drilling and casing program and approval obtained before drilling is started.

Approval is with the further understanding that each lessee will be regarded as solely responsible for the proper abandonment of any well drilled on his lease.

(signed) Foster Morrell
Supervisor, Oil and Gas Operations.

Roswell, New Mexico

July 1946
Date

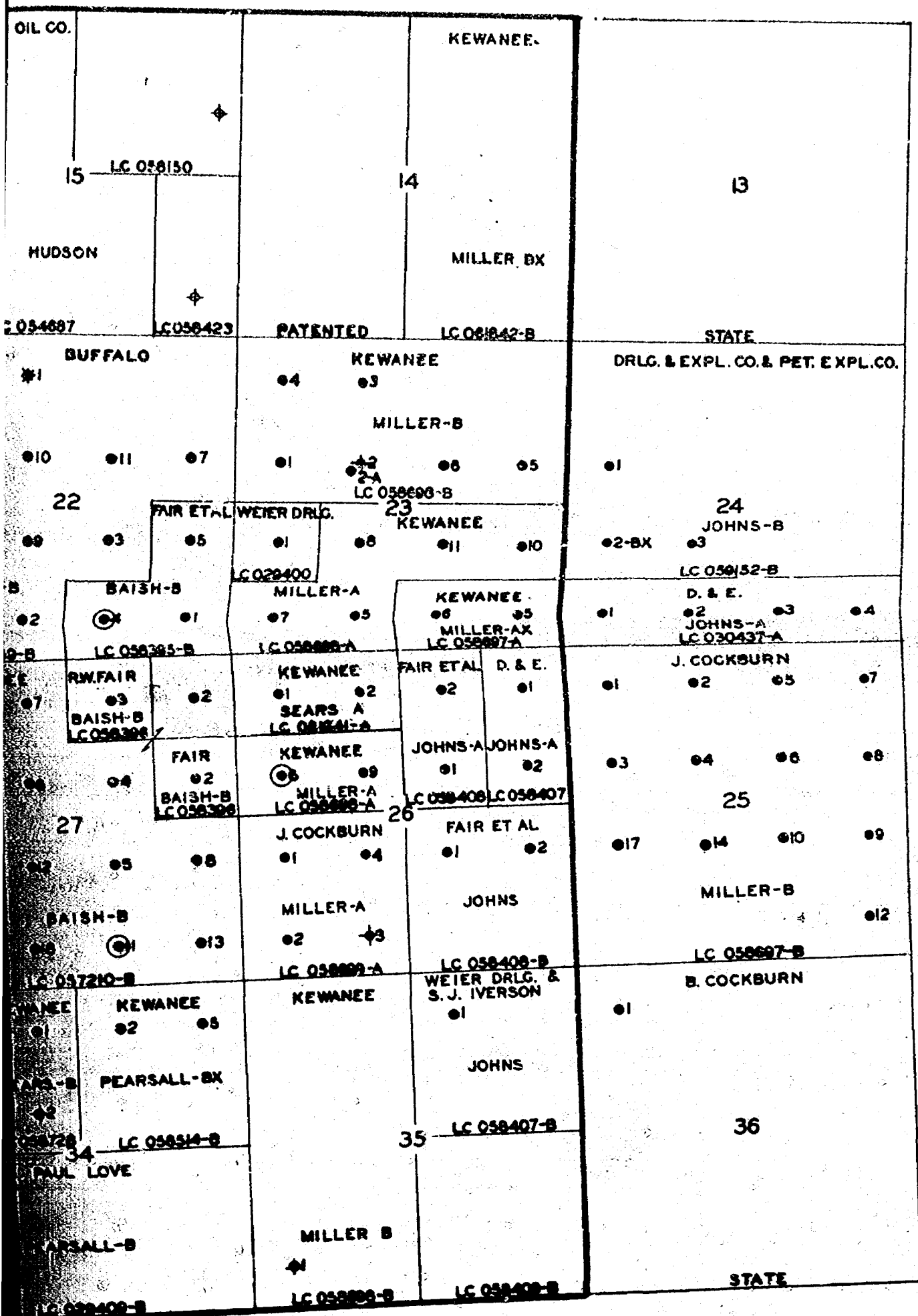
Over-sized Map

Map Filmed As Follows

R 32 E

KEWANEE 03 LC060329	BUFFALO 18 MITCHELL-B LC 029405-B	BUFFALO 17 MITCHELL-B LC 029405-B	KEWANEE 04 02 05 01 LC060329	KEWANEE 05 08 03 04 PHILLIPS PET. CO. 01 KEWANEE 02 STATE	BUFFALO 01-B 01A 01 011 010 08 BAISH 04 LC 029509-A	EMPEROR
05 012 015 016	BUFFALO 015 MITCHELL-A 010 LC 029405-A 19 BUFFALO 013 MITCHELL-B 014 02 010 LC 029405-B	016 017 018 MITCHELL-A 017 BUFFALO 015 MITCHELL-B 016 01 02 LC 029405-B	04 03 01 02 01A	09 03 07 05 21 014 015 06 016 BAISH-A 012 013 05 LC 029509-A	011 010 08 04 LC 029509-A	
03-R 04-R 01-B	WOODS 01-B 02-B 02-R 01-R SIMON LC 029410	CARPER DRUG CO. 02-N 01-N 01-A 02-N 03-N 02-A 02-A 04-A 03-A 07-N 05-N SIMON 05-A 06-A 05-N 06-N LC 029410	01-A 02-A 02-A 05-N 06-N	03 010 017 020 05 016 021 022 28 023 024 025 026 BAISH-B 031 030 029 028 LC 057210-B	014 03 030 027 019 027	
CARPER DRUG CO.		KERSEY & WALLINGFORD 01 A.H. HOVER 02 01 04 05 32 MARTIN YATES JR. 03 01 02 STATE		03 04 05 010 01-AX PEARSALL-AX 02 LC 029405-A	01 02 07 01 PEARSALL-A LC 029405-A	
GEO. TURNER LC 029402	CARPER SPENCER SIMON LC 029410					

T
17
S



MALJAMAR COOPERATIVE REPRESSURING AREA LEA COUNTY NEW MEXICO SCALE: 1" EQUALS 2000'

LEGEND
LC012345 LAS CRUCES U.S.A. PERMIT OR -
LEASE NUMBER
● OIL WELLS
★ GAS WELLS
◆ DRY HOLES
⊙ GAS INPUT WELLS
— AREA BOUNDARY

APRIL 1942
JRW

"Exhibit C"

W.N.M.C.F. MICROGRAPHICS



BEFORE THE OIL CONSERVATION COMMISSION OF THE
STATE OF NEW MEXICO

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

CASE NO. 115

ORDER NO. 736

IN THE MATTER OF THE APPLICATION OF
MALJAMAR OIL COMPANY FOR PERMISSION
TO CONVERT TO A PRODUCER FOR THE
PRODUCTION OF OIL AND GAS ITS BAISH
"B" I. P. WELL NO. 30, LOCATED 2,600
FEET FROM THE NORTH LINE AND 25 FEET
FROM THE WEST LINE (SW CORNER QUAD)
SECTION 27, TOWNSHIP 17 SOUTH, RANGE
32 EAST, N.M.P.M. IN THE MALJAMAR
POOL, LEE COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This matter came on regularly for hearing at 10:00 o'clock A.M., on
November 25, 1947, at Santa Fe, New Mexico before the Oil Conservation Commis-
sion of New Mexico, hereinafter referred to as the "Commission".

NOW, on this 25th day of November, 1947, the Commission having before it
for consideration the testimony adduced at the hearing of said cause and being
fully advised in the premises;

FINDS:

1. That due public notice having been given, the Commission has juris-
diction of the case and the subject matter thereof;
2. That petitioner is the owner of an oil and gas lease of United States
Government leased land designated as Las Cruces Lease 057210 and which lease
includes the SW 1/4 of Section 27, Township 17 South, Range 32 East, N.M.P.M.,
Lee County, New Mexico;
3. That petitioner's present wells located on said tract are its Baish
No. 9 I.P. located in the center of the said above described 40-acre unit and
is a gas injection well used for injection purposes under the Maljamar Cooper-
ative Repressuring Agreement and that its Baish "B" I.P. Well No. 30 located
in the southwest corner of the said 40-acre unit was completed January 30, 1947,
under the Maljamar Cooperative Repressuring Agreement program for the purpose
of using said well as a gas injection well;
4. That from the evidence before the Commission it has been established
that the said Baish "B" I.P. well No. 30 would be of greater value as a prod-
ucing well than if it were used for gas injection service; that the conversion
of this well to a producer would increase the ultimate recovery from the above
described 40-acre lease unit; and that the continuation of Baish "B" No. 9 I.P.
as an input well would insure maximum benefit to the gas injection program of
the Maljamar Cooperative Repressuring Agreement;

5. That under the terms of the Maljamar Cooperative Repressuring Agreement operators of leases upon tracts of lands upon which are located gas injection wells are entitled in addition thereto to a compensating well for the production of oil and gas;

6. That no other lease operators are effected by the unorthodox well location of the well under consideration as petitioner is the owner of all 40-acre units adjoining and surrounding the above described tract of land;

IT IS THEREFORE ORDERED that Kowance Oil Company, petitioner herein, be granted permission to convert to a producer for the production of oil and gas its Baish "B" I.P. Well No. 30 located 2600 foot from the North line and 25 foot from the west line (SW corner SW $\frac{1}{4}$ -NE $\frac{1}{4}$) Section 27, Township 17 South, Range 32 East, N.M.P.M., Maljamar Pool, Lea County, New Mexico.

IT IS THE FURTHER ORDER OF THE COMMISSION that the production from said well shall not exceed the unit allowable now or which hereafter may be fixed by the Commission for the Maljamar Pool.

DOE at Santa Fe, New Mexico on the day and year hereinbefore designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

Thomas J. Mabry, CHAIRMAN

John E. Miles, MEMBER

R. R. Spurrier, SECRETARY

LEA COUNTY OPERATORS COMMITTEE
HOBBS, NEW MEXICO
December 8, 1947

NO.

Case No. 115 is the case of application
of Kewanee Oil Co. for permission to convert
to a producer, etc.

ADDRESS

DATE