

Case No.

874

Application, Transcript,
Small Exhibits, Etc.

LAW OFFICES
JOHN E. COCHRAN, JR.
CARPER BUILDING
ARTESIA, NEW MEXICO

March 14, 1955

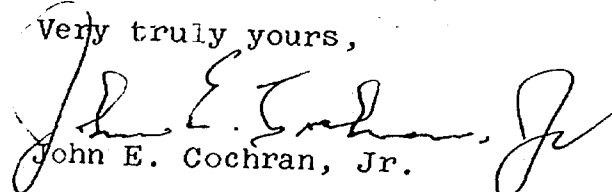
Mr. W. B. Macey, Director
New Mexico Oil Conservation Commission
Mabry Hall
Santa Fe, New Mexico

Dear Mr. Macey:

I enclose herewith, in triplicate, Application of Kewanee Oil Company for an Order granting permission to re-complete Pearl Well No. 22-B in the NW/4 SE/4 of Section 25, Township 17 South, Range 32 East, N.M.P.M. in Lea County, New Mexico, in the Red Sand as an unorthodox location and to continue injecting gas in said well to the Maljamar Pay horizon.

If possible we would like to present this Application to the Commission at its April 20, 1955 hearing.

Very truly yours,


John E. Cochran, Jr.

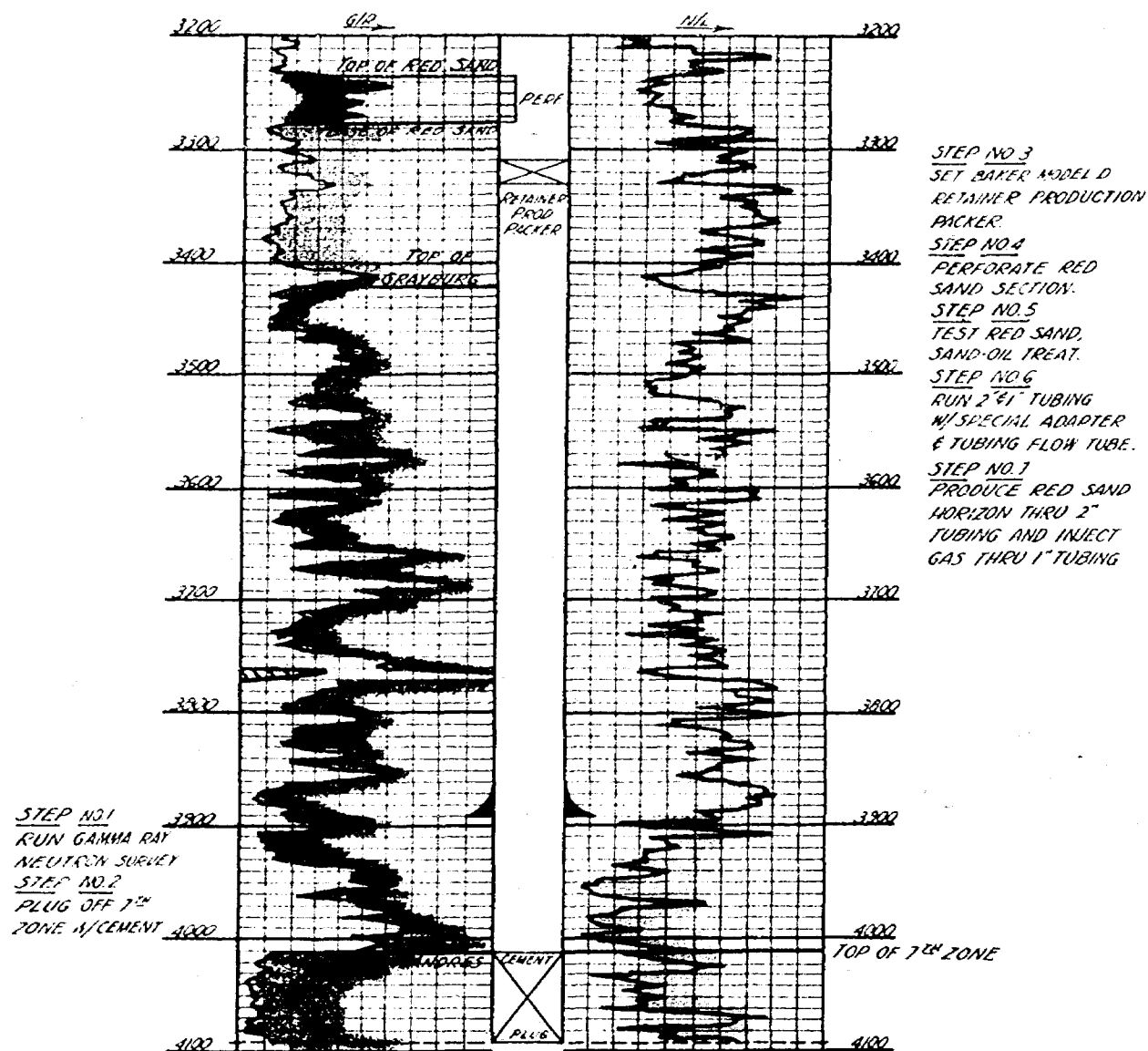
enclosures

cc: United States Geological Survey
Roswell, New Mexico

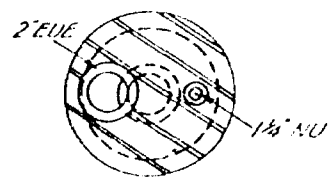
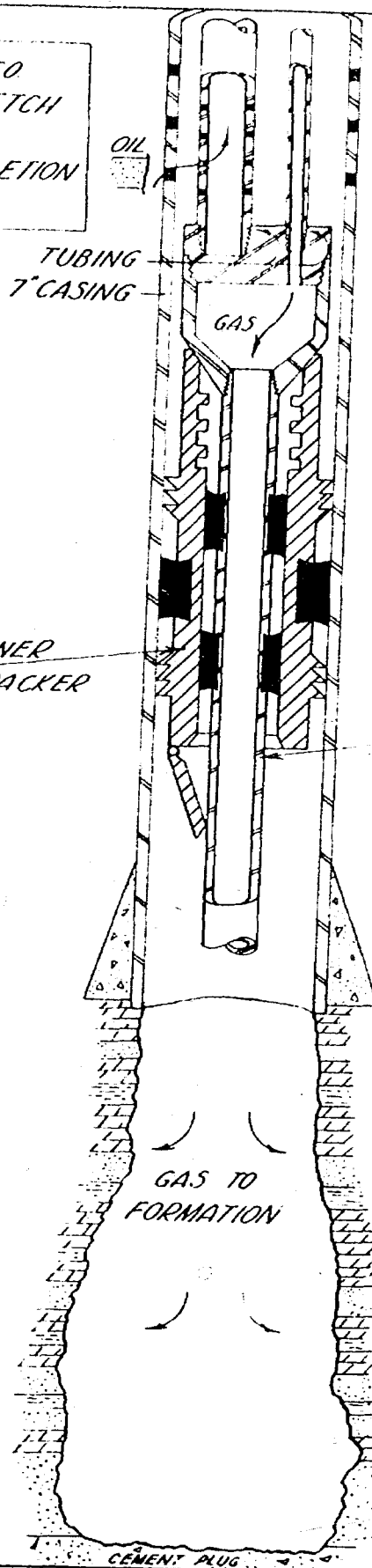
Mr. W. H. Mills
Kewanee Oil Company
P. O. Box 3786
Odessa, Texas

KEWANEE OIL COMPANY
 PLAN TO EFFECT DUAL COMPLETION ON
 PEARL NO 22
 MALJAMAR FIELD - MALJAMAR, NEW MEX.

PRODUCE RED SAND OIL THRU 2" EUE TUBING
 INJECT GAS THRU 1" MACORONI STRING



KEWANEE OIL CO.
DIAGRAMATIC SKETCH
OF
COMBINATION COMPLETION
PEARL NO 22



BAKER RETAINER
PRODUCTION PACKER

BAKER PARALLEL
TUBING FLOW TUBE

GAS TO
FORMATION

CEMENT PLUG

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF KEWANEE OIL COMPANY FOR AN ORDER GRANTING PERMISSION TO RECOMPLETE PEARL WELL NO. 22-B, IN THE NW/4 SE/4 OF SECTION 25, TOWNSHIP 17 SOUTH, RANGE 32 EAST, N.M.P.M. IN LEA COUNTY, NEW MEXICO, IN THE RED SAND AS AN UNORTHODOX LOCATION; AND TO CONTINUE INJECTING GAS IN SAID WELL TO THE MALJAMAR PAY HORIZON.

NO. 874

APPLICATION

KEWANEE OIL COMPANY, Applicant herein, is a corporation organized and existing under and by virtue of the Laws of the State of Delaware and is duly licensed to transact business in the State of New Mexico, and in connection herewith respectfully shows to the Commission:

1. That Applicant is the owner and holder of Federal Oil and Gas Lease Las Cruces Serial No. 058697(b), insofar as said Lease covers the following described land situated in Lea County, State of New Mexico, to-wit:

All of Section 25, Township 17 South, Range 32 East, N.M.P.M.; and Lots 1, 2, 3 and 4 and E/2 W/2 of Section 30, Township 17 South, Range 33 East, N.M.P.M.

2. That there have been drilled on the above Oil and Gas Lease known as the Pearl Lease a total of 27 wells to the Maljamar Pay. At the present time 20 wells are producing from the Maljamar Pay, 3 wells are used as gas input wells and 1 well is a combination gas injection well and Red Sand producing well, oil being produced from the Red Sand and gas being injected into the Maljamar Pay horizon. Two (2) wells were abandoned as dry holes and one (1) well after producing for some time was abandoned.

3. That heretofore on April 28, 1948 in Case No. 132 the Oil Conservation Commission of New Mexico entered Order No. 763 granting Kewanee Oil Company permission to drill

Pearl Well No. 22-B in the NW/4 SE/4 of Section 25, Township 17 South, Range 32 East, N.M.P.M., located 2615 feet West of the East line and 2615 feet North of the South line of said Section 25, as an unorthodox location to be drilled to the Maljamar Pay. The location of which well is shown upon Map attached hereto marked Exhibit "A" and by reference made a part hereof.

4. Thereafter said Pearl Well No. 22-B was drilled to a total depth of 4189 feet and completed in the Maljamar Pay with an initial production of 54.7 barrels per day. This Well was completed on September 20, 1948.

5. Thereafter on May 1, 1952 in Case No. 356 the Oil Conservation Commission of New Mexico entered Order No. R-146 granting Kewanee Oil Company permission to convert said Pearl Well No. 22-B from a Maljamar producing well to a gas injection well. This well was actually converted from a producing well to a gas injection well on August 24, 1952 and since that time said well has been used as a gas injection well through which gas has been returned to the Maljamar Reservoir. At the time this well was converted from a producing well to a gas injection well it was capable of producing 18 barrels of oil per day.

6. That a gas injection program is being carried on upon the above lease at the present time and gas is being returned to the Maljamar Reservoir through Wells Nos. 22-B, 24-B, 25-B and 26-B, pursuant to orders heretofore entered by the Oil Conservation Commission.

7. That at the time Pearl Well No. 22-B was drilled a commercial show of oil was found in the Red Sand section from approximately 3465 feet to 3515 feet and it is the desire of Applicant to re-complete Pearl Well No. 22-B as a producing well in the Red Sand and to continue to inject gas through

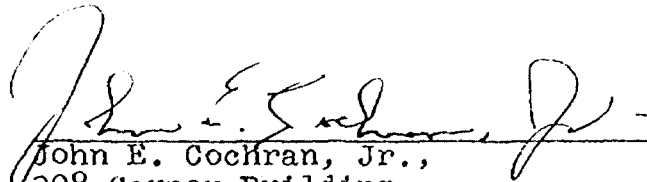
said well into the Maljamar Reservoir.

8. That in re-completing said Pearl Well No. 22-B as a producing well in the Red Sand and to continue to use said well as an injection well for the purpose of returning gas to the Maljamar Reservoir, Applicant proposes to run Gamma Ray - Neutron Survey, set a Baker Model "D" retainer production packer, blank off Baker Model "D" retainer production packer, perforate the Red Sand zone, test the Red Sand zone for oil production, sand-oil treat with sufficient volume to stimulate production, remove blanking tool from Baker Model "D" retainer production packer, run 2 inch tubing and 1 inch macoroni string with special Baker Adapter and tubing flow tube to separate producing horizons, and then produce the Red Sand zone through 2 inch tubing and inject gas through 1 inch macoroni string into the Maljamar Reservoir. 20

9. That the Pearl Lease hereinabove described is committed to the Maljamar Cooperative Repressuring Agreement and gas now being injected in the Maljamar Reservoir of the Pearl Lease is being obtained from the Maljamar Cooperative Repressuring Agreement Plant.

WHEREFORE, Applicant prays that it be granted permission to re-complete Pearl Well No. 22-B in the Red Sand as an unorthodox location and to continue to inject gas through said well into the Maljamar Reservoir in the manner hereinabove set forth; that the Commission set a date for hearing this Application in accordance with its rules and regulations and that upon presentation of this Application to the Commission that a proper order be entered granting permission to Applicant to re-complete said well in the Red Sand and continue to inject gas through said well into the Maljamar Reservoir, and if said well be productive of oil in the Red Sand, that it be granted an allowable separate from the other well located upon the same

40 acre legal subdivision which is producing from the Maljamar Pay.


John E. Cochran, Jr.,
308 Carper Building,
Artesia, New Mexico,
Attorney for Applicant

STATE OF NEW MEXICO)
 : ss.
COUNTY OF EDDY)

W. H. MILLS, being first duly sworn upon his oath deposes and states: That he is Division Engineer for Applicant in its West Texas and New Mexico Division and that he has read the foregoing Application and from personal knowledge knows the matters therein contained to be true and correct except such statements that are alleged upon information and belief and as to those, he believes them to be true.


W. H. Mills

SUBSCRIBED AND SWORN TO before me this 9th day of March, 1955.


Notary Public

My commission expires:
October 1, 1956

BEFORE THE
Oil Conservation Commission

SANTA FE, NEW MEXICO
April 20, 1955

IN THE MATTER OF:

CASE NO. 876 - Regular Hearing

TRANSCRIPT OF PROCEEDINGS

ADA DEARNLEY AND ASSOCIATES

COURT REPORTERS
605 SIMMS BUILDING
TELEPHONE 3-6691
ALBUQUERQUE, NEW MEXICO

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
April 20, 1955

IN THE MATTER OF:

Application of Kewanee Oil Company for permission to recomplete its Pearl Well No. 22-S, NW/4, SE/4 25-178-32E, Lea County, New Mexico, to permit production of oil from the Red Sand, at the same time continuing the gas-injection operation now in effect in the same well-bore in the Maljamar sand for secondary recovery; said well to be approved as an unorthodox location 2615' from the south and east lines of said Section 25.

Case No. 874

BEFORE:

Mr. E. S. (Johnny) Walker
Mr. William B. Macey

TRANSCRIPT OF HEARING

MR. MACEY: The next case on the docket is Case 874.

MR. COCHRAN: If the Commission please, John E. Cochran, Jr. appearing for Kewanee Oil Company. I have one witness.

W. H. MILLS,

called as a witness, having been first duly sworn, testified as follows:

DIRECT EXAMINATION

By MR. COCHRAN:

Q Will you state your name, please?

A W. H. Mills.

Q Where do you live, Mr. Mills?

A Odessa, Texas.

Q By whom are you employed?

ADA DEARNLEY & ASSOCIATES
STENOGRAPHIC REPORTERS
ALBUQUERQUE, NEW MEXICO
TELEPHONE 3-6691

A Kewanee Oil Company.

Q In what capacity are you employed?

A Division Engineer.

Q As Division Engineer, what properties come under your jurisdiction?

A The properties located in the western portion of Texas and the State of New Mexico.

Q Have you ever testified before the Commission?

A Yes, sir, I have.

Q Mr. Mills, have you prepared a plat showing your Pearl Lease involved in this application?

A Yes, sir, I have.

(Marked Kewanee Oil Company's Exhibit No. 1, for identification.)

Q Will you tell the Commission what this plat, identified as Kewanee's Exhibit No. 1 shows?

A This plat shows the major portion of the Maljamar Pool, located in Lea County, New Mexico. The area colored shows Kewanee's Pearl Lease located in Section 25, Township 17 South, Range 32 East, Lots 1, 2, 3 and 4, and the east half of the west half of Section 30, Township 17 South, Range 33 East.

Q How many producing wells or how many wells have been drilled on the Pearl Lease?

A A total of 27 wells.

Q What is the status of those wells?

A At the present time 20 wells are producing from the Maljamar pay, three wells are used as gas input wells, and one well is a combination gas injection well and red sand producing oil well; two wells were abandoned as dry holes and one well, after producing for sometime, was abandoned.

ADA DEARNLEY & ASSOCIATES
STENOTYPE REPORTERS
ALBUQUERQUE, NEW MEXICO
TELEPHONE 3-6691

Q In the application which I want to file, you wish to re-complete well No. 22 in the red sand?

A That is right.

Q You wish to continue to inject gas through that well into the Maljamar reservoir?

A That is right.

Q Will you tell the Commission the history of well 22-B?

A Well No. 22-B was originally drilled as an unorthodox location upon approval by the New Mexico Oil Conservation Commission as entered in Order No. 763 dated April 28, 1948, Case No. 132.

The well was completed at a total depth of 4,189 feet. Initial production was 54.7 barrels per day. The initial completion date on the well was September 20, 1948.

Q After that well was completed, how long did it produce oil?

A It produced oil up until the time it was converted to a gas input well, which was on August 24, 1952.

Q The conversion of the well to a gas input well was okayed by the Commission?

A Yes, sir, in Case 856 entered as Order R-146.

Q How much oil was that making when it was converted to an input well?

A At the time it was converted to an input well it was producing approximately 18 barrels of oil per day.

(Marked Kewanee Oil Company's Exhibits Nos. 2, 3, 4, for identification.)

Q Mr. Mills, I hand you Kewanee's Exhibit No. 2. Will you tell the Commission what that Exhibit is?

A Exhibit 2 is a typical radio-active log of the formation

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encountered on the Pearl Lease. Exhibit shows the sequence of the formations as they are encountered, and the approximate depths.

Q Mr. Mills, will you tell the Commission in detail how you propose to recomplate well No. 22-B in the Red Sands and continue to inject gas through this well into the Maljamar reservoir?

A Specifically, we propose to recomplate Pearl No. 22-B in the following manner: Run a Gamma Ray Neutron Survey, set a Baker Model "D" retainer production packer, below the base of the Red Sand; blank off the Baker Model "D" retainer production packer, perforate the Red Sand zone; test the Red Sand zone for oil production, naturally sand-oil treat in sufficient volume to stimulate production and then remove the blanking tool from Baker Model "D" retainer production packer; run two-inch tubing and one-inch macoroni string with special Baker Adapter and tubing flow tube to separate producing horizons and then produce the Red Sand zone through two-inch tubing and inject gas through one-inch macoroni string into the Maljamar reservoir.

Q Mr. Mills, I hand you Kewanee Exhibit No. 3. Will you tell the Commission what that portrays?

A Exhibit No. 3 is a schematic diagram of the method that has been previously outlined, of how we propose to set the retainer production packer and how we plan to effect the combination completion and separate the two horizons from one another.

Q Is this Pearl Lease committed to the Maljamar Cooperative Agreement?

A Yes, sir, it is.

Q From what source do you now obtain and will you continue to obtain gas for injection purposes?

A We now obtain gas from the Maljamar Cooperative repressuring Agreement Plant and we will continue to receive gas from that source.

Q Has this method of recompletion been used before by Kewanee?

A Yes, sir, we have recompleted one other well in this very same manner in our Pearl Number 25 and, as of this date, it has produced, approximately, 9,000 barrels of oil and we have injected gas at the rate of approximately 200,000 cubic feet a day at pressure of 1,350 pounds with no visible effects of communication between the two zones.

Q When was that well recompleted?

A Banking on memory, it was recompleted in the fall of '54, I would say in October of '54.

Q Mr. Mills, if the Commission permits you to recomplete Well No. 22-B in the manner which you propose, and the well produces from the Red Sand, what do you propose to do about an allowable for this well?

A We would propose that the Commission grant us an allowable separate from the other well on the other legal sub-division which is producing oil from the Maljamar pay.

Q In recompleting this well in the manner outlined, and continuing to inject gas into the Maljamar reservoir, in your opinion, is that in the interest of conservation?

A It definitely is.

Q It will prevent waste?

A It certainly will.

MR. COCHRAN: If the Commission please, this is a Federal Lease and a copy of the application was filed with the United States

Geological Survey, and I have marked here, as Kewanee's exhibit No. 4, a letter from Mr. John A. Anderson, Regional Oil and Gas Supervisor in which he states that his office offers no objection to the proposed recompletion of this well. He would like to offer in evidence Kewanee's Exhibits 1, 2, 3 and 4.

MR. MACEY: Without objection it will be received in evidence.

MR. COCHRAN: That is all.

MR. MACEY: Any questions of the witness? Mr. Rhodes?

CROSS EXAMINATION

By MR. RHODES:

Q One question, for the purpose of the record, in the event that you desire to discontinue injection of gas into the Grayburg, would you be willing to plug that well on back to the Queen?

A I don't know whether I can answer that question for you right at this time or not, because I don't know what disposition we would want to make of that well in the Maljamar pay in the event we ceased gas well injection operation.

Q Would you be willing to work that well over in the event that you desire to discontinue the injection of gas so that you would be recovering from only one of the two horizons?

A Definitely, yes, sir.

MR. RHODES: That is all.

MR. MACEY: Anyone else? If not the witness may be excused.

(Witness excused.)

MR. MACEY: Do you have anything further?

MR. COCHRAN: No, I don't.

MR. MACEY: We will take the case under advisement and take a short recess.

STATE OF NEW MEXICO)
 : ss.
COUNTY OF BERNALILLO)

I, ADA DEARNLEY, Court Reporter, do hereby
certify that the foregoing and attached transcript of proceedings
before the New Mexico Oil Conservation Commission at Santa Fe,
New Mexico, is a true and correct record to the best of my
knowledge, skill and ability.

IN WITNESS WHEREOF I have affixed my hand and notarial
seal this 3rd day of May, 1955.

Ada Dearnley
Notary Public, Court Reporter

My Commission Expires:

June 19, 1955

C
O
P
Y

May 23, 1955

Mr. John E. Cochran, Jr.
308 Carper Building
ARTESIA, NEW MEXICO

Dear Sir:

In behalf of your client, Kewanee Oil Company, we enclose a copy of Order R-635 issued by the Commission under date of May 18, 1955, in Case 874, which was heard on April 20, 1955.

Very truly yours,

W. B. Macey
Secretary - Director

WBM:nr

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. 874
Order No. R-635

THE APPLICATION OF KEWANEE OIL
COMPANY FOR AN ORDER GRANTING
PERMISSION TO RECOMPLETE ITS
PEARL WELL NO. 22-B, LOCATED 2615
FEET FROM THE SOUTH AND EAST
LINES OF SECTION 25, TOWNSHIP 17
SOUTH, RANGE 32 EAST, NMPM, LEA
COUNTY, NEW MEXICO, IN SUCH A
MANNER AS TO PERMIT THE PRODUCTION
OF OIL FROM THE RED SAND OF THE
PEARSALL OIL POOL AND AT THE SAME
TIME PERMIT THE CONTINUED INJECTION
OF GAS INTO THE PRODUCING ZONE OF
THE MALJAMAR OIL POOL.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This matter came on for hearing at 9 o'clock a. m. on April 20, 1955, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission".

NOW, on this 15th day of May, 1955, the Commission, having considered the testimony and the evidence adduced at said hearing, and being fully advised in the premises,

FINDS:

(1) That due notice of the time and place of hearing and the purpose thereof having been given as required by law, the Commission has jurisdiction of this case and the subject matter thereof.

(2) That on April 28, 1948, the Commission entered Order No. 763, in Case No. 132, granting Kewanee Oil Company permission to drill Pearl Well No. 22-B in the NW/4 SE/4 of Section 25, Township 17 South, Range 32 East, NMPM, located 2615 feet west of the east line and 2615 feet north of the south line of said Section 25, as an unorthodox location to be drilled to the Maljamar pay; that said well was drilled to a depth of 4189 feet and completed in the Maljamar pool on September 20, 1948, with an initial production of 54.7 barrels of oil per day.

(3) That on May 1, 1952, the Commission entered Order No. R-146 in Case No. 356, granting Kewanee Oil Company permission to inject gas in the Maljamar Reservoir through Wells Nos. 22-B, 24-B and 26-B; that a gas injection program is being carried on on the Pearl Lease at the present time.

(4) That at the time Pearl Well No. 22-B was drilled, a commercial show of oil was found in the Red Sand section from approximately 3465 feet to 3515 feet and that Kewanee Oil Company desires to recomplete said well as a producing oil well in the Red Sand, and to continue to inject gas through said well into the Maljamar reservoir.

(5) That at the time Pearl Well No. 22-B was converted to a gas injection well in the Maljamar reservoir by virtue of Order R-146, said well was producing approximately 18 barrels of oil per day from the Maljamar Pool.

(6) That in recompleting said Pearl Well No. 22-B as a producing well in the Red Sand and in continuing to use said well as an injection well for the purpose of returning gas to the Maljamar Reservoir, Applicant proposes to run Gamma Ray - Neutron Survey, set a Baker Model "D" retainer production packer, blank off Baker Model "D" retainer production packer, perforate the Red Sand zone, test the Red Sand zone for oil production, sand-oil treat with sufficient volume to stimulate production, remove blanking tool from Baker Model "D" retainer production packer, run 2-inch tubing and 1-inch macaroni string with special Baker Adapter and tubing flow tube to separate producing horizons, and then produce the Red Sand zone through 2-inch tubing and inject gas through 1-inch macaroni string into the Maljamar Reservoir.

(7) That said Pearl Lease is committed to the Maljamar Cooperative Repressuring Agreement and that gas injected through Pearl Well No. 22-B will be obtained from the Maljamar Cooperative Repressuring Agreement Plant.

IT IS THEREFORE ORDERED:

1. That the Application of Kewanee Oil Company for an order authorizing it to recomplete Pearl Well No. 22-B in the NW/4 SE/4 Section 25, Township 17 South, Range 32 East, NMPM, in Lea County, New Mexico, in the Red Sand, as an unorthodox location, and to continue to inject gas through said well into the Maljamar Reservoir, in the manner hereinabove set forth, be and the same is hereby approved.

2. That, provided production is realized from the Red Sand of the Pearsall Pool, Pearl Well No. 22-B shall be granted an allowable which will be separate and distinct from that allowable granted the well located on the identical 40-acre legal subdivision, which well is producing from the Maljamar Pool.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

John F. Simms
JOHN F. SIMMS, Chairman

E. S. Walker
E. S. WALKER, Member

W. B. Macey
W. B. MACEY, Member and Secretary

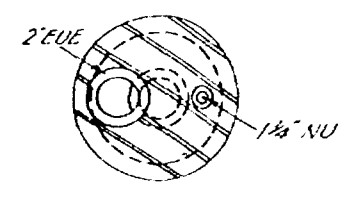
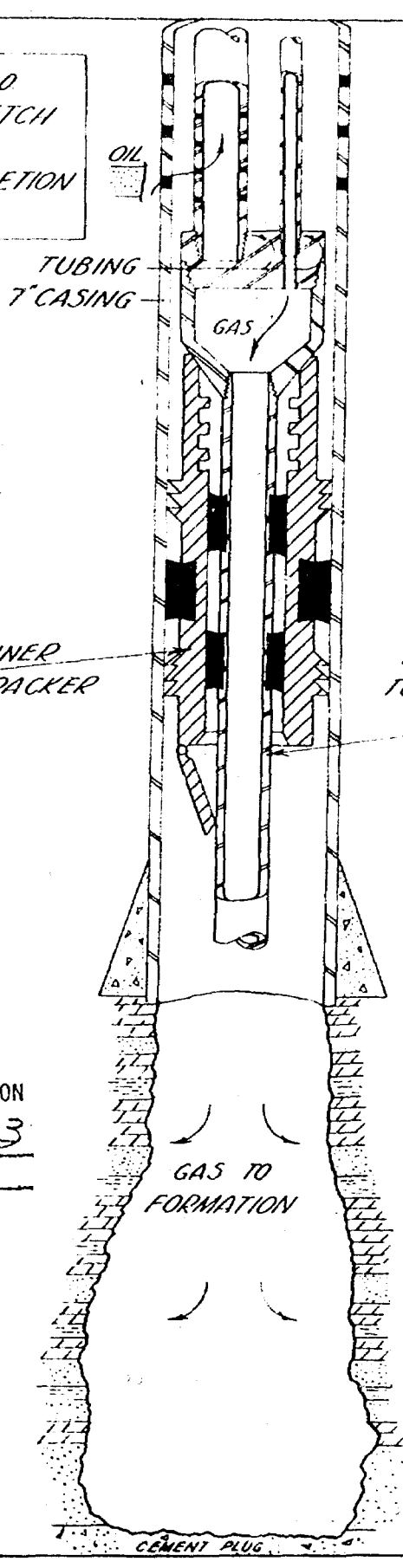


KEWANEE OIL CO.
 DIAGRAMATIC SKETCH
 OF
 COMBINATION COMPLETION
 PEARL NO. 22

BAKER RETAINER
 PRODUCTION PACKER

BAKER PARALLEL
 TUBING FLOW TUBE

BEFORE THE
 OIL CONSERVATION COMMISSION
 SANTA FE, NEW MEXICO
 Kewanee EXHIBIT No. 3
 CASE 874

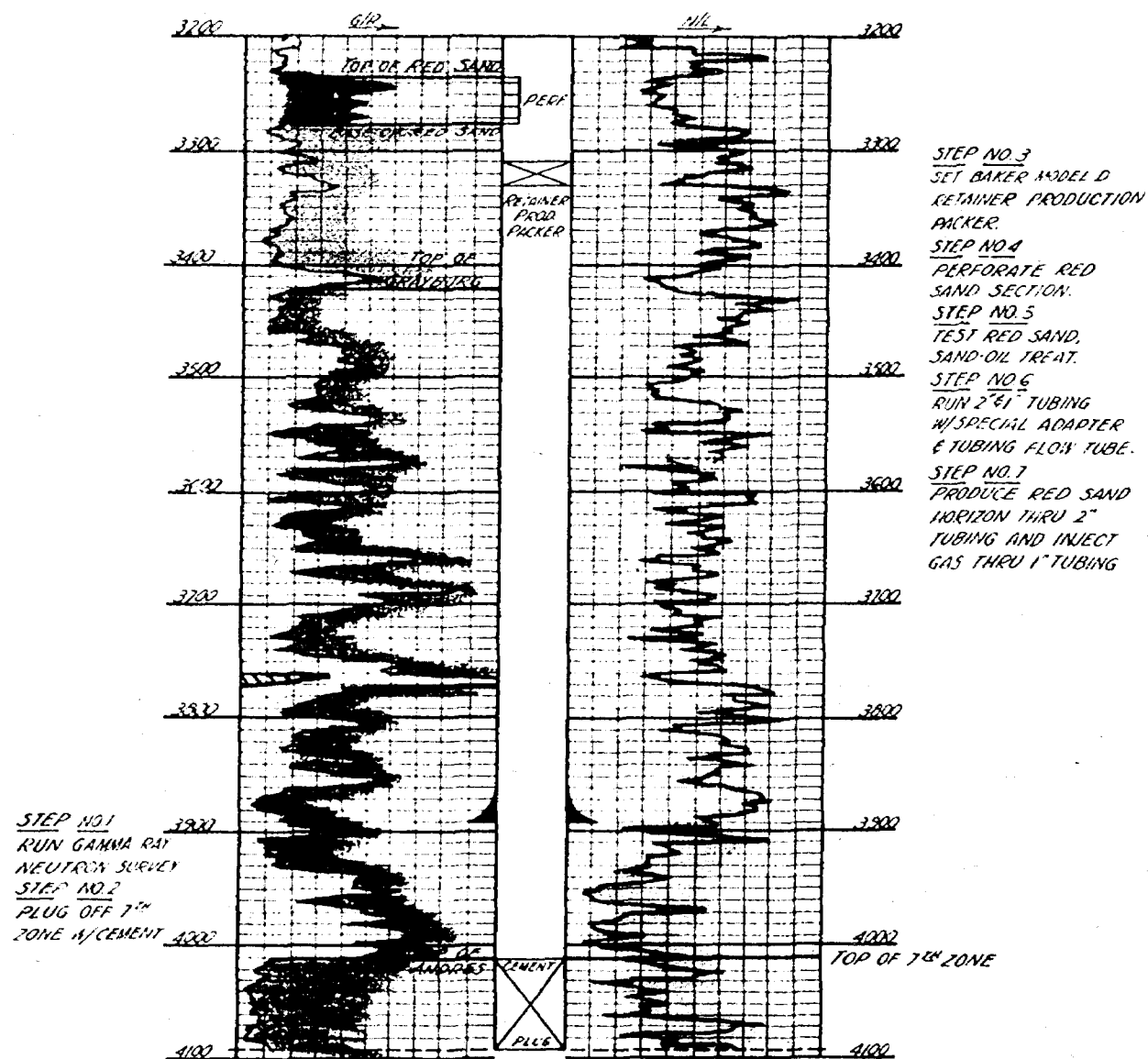


GAS TO
 FORMATION

CEMENT PLUG

KEWANEE OIL COMPANY
 PLAN TO EFFECT DUAL COMPLETION ON
 PEARL NO. 22
 MALJAMAR FIELD - MALJAMAR, NEW MEX.

PRODUCE RED SAND OIL THRU 2" EUE TUBING
 INJECT GAS THRU 1" MACORONI STRING



BEFORE THE
 OIL CONSERVATION COMMISSION
 SANTA FE, NEW MEXICO
 RECEIVED EXHIBIT No. 2
 CASE 874



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

P. O. Box 6721
Roswell, New Mexico

IN REPLY REFER TO:

March 28, 1955

Mr. John E. Cochran, Jr.
Carper Building
Artesia, New Mexico

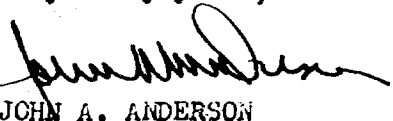
Re: Las Cruces 058697(b) -
Proposed recompletion of
Kewanee Oil Co. well No. 22
Pearl "B"

Dear Mr. Cochran:

Your letter of March 14, 1955, enclosing a copy of an application of Kewanee Oil Company filed with the Oil Conservation Commission of New Mexico requesting permission to recomplete its well No. 22 Pearl "B", located 2615 feet from the south and east lines of sec. 25, T. 17 S., R. 32 E., N.M.P.M., Lea County, New Mexico, asks whether or not the Survey has any objection to the proposed recompletion. Kewanee is presently injecting gas into the Maljamar oil zone and proposes to dually complete the well by perforating the casing opposite the Red Sand oil zone and producing oil from the Red Sand and injecting gas in the Maljamar oil zone.

This office offers no objection to the proposed recompletion of the well upon approval of the Oil Conservation Commission. However, before work is commenced on the well, advance approval of the dual completion operations must be obtained from our District Engineer at Artesia. As the lease is committed to the Maljamar Cooperative Repressuring Agreement, I-Sec. No. 341, advance approval should also be obtained from the Engineering Committee.

Very truly yours,


JOHN A. ANDERSON
Regional Oil and Gas Supervisor

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Kewanee HSBT No. 4
CASE 874

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 CON-
SIDERING:

CASE NO. 356
ORDER NO. R-146

THE APPLICATION OF KEWANEE OIL
COMPANY TO CONVERT PEARL WELLS
NOS. 22 AND 24, SEC. 25, TWP. 17 SOUTH,
RANGE 32 EAST, NMPM, AND PEARL WELL
NO. 26, W/2 SEC. 30, TWP. 17 SOUTH, RANGE
33 EAST, NMPM, MALJAMAR POOL, LEA
COUNTY, NEW MEXICO, FROM PRODUCING
OIL WELLS TO GAS-INJECTION WELLS, AND
FOR PERMISSION TO INJECT GAS PRODUCED
FROM CORBIN 'A' WELL NO. 3, NW/4 SEC. 10,
TWP. 18 SOUTH, RANGE 33 EAST, NMPM, LEA
COUNTY, NEW MEXICO, INTO THE GRYABURG-
SAN ANDRES HORIZONS OF THE MALJAMAR
POOL RESERVOIR, THROUGH PEARL WELLS
NOS. 22, 24 AND 26.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This matter came on for hearing at 9 o'clock a. m. on April 15, 1952, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 1st day of May, 1952, the Commission, a quorum being present, having considered the testimony adduced at said hearing, 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 acreage involved in the application is Federally owned, and the Supervisor of the United States Geological Survey interposes no objection to the application.
- (3) That Kewanee Oil Company is the owner and holder of Federal Oil and Gas Lease Las Cruces Serial No. 058697 (b) insofar as said lease covers the following described land in Lea County, New Mexico, to-wit:

All Sec. 25, Twp. 17 South, Range 32 East, NMPM;
Lots 1, 2, 3, and 4, E/2 W/2 Sec. 30, Twp. 17 South,
Range 33 East, NMPM, and containing 968.56 acres,
more or less,

which said lease is designated as Kewanee Oil Company's "Pearl" Lease.

(4) That a total of 27 wells, three of which are abandoned or were dry holes, have been drilled upon said lands; that each of said wells was drilled to a sufficient depth to test the Grayburg-San Andres horizons encountered from a depth ranging from 4150 feet to 4250 feet; that at the present time there are 24 producing wells on said lease, producing from the Grayburg-San Andres horizons; that the present oil production from said lease is approximately 365 barrels per day.

(5) That Kewanee Oil Company is the owner and holder of Federal Oil and Gas Lease Las Cruces Serial No. 029489 (a) insofar as said lease covers the following described land in Lea County, New Mexico, to-wit:

W/2 Sec. 10, Twp. 18 South, Rge. 33 East, NMPM,
and containing 320 acres, more or less,

which said lease is known as its Corbin "A" Lease.

(6) That there is located on Corbin "A" Lease one gas well which, although shut in at the present time, has an open-flow potential of 7,900,000 cubic feet of gas per 24 hours; that said gas well produces from the Queen sand, encountered from a depth of 4225 feet to 4327 feet.

(7) That, in accordance with the provisions of Order No. 763 and Order No. 770, Pearl Wells Nos. 22, 24 and 26 were originally drilled as unorthodox five-spot locations.

(8) That it would be in the interest of conservation, prevent waste and enable Kewanee Oil Company to obtain a greater ultimate recovery of oil and hydrocarbons if Pearl Wells Nos. 22, 24 and 26 were converted from producing wells to gas-injection wells, and gas produced from Corbin "A" Well No. 3 injected in the reservoir underlying the Pearl Lease through said three wells, as gas-injection wells.

(9) That Kewanee Oil Company does not desire the current oil allowable produced from Pearl Wells Nos. 22, 24 and 26 to be transferred to other wells on the Pearl Lease by reason of said three wells being converted from producing oil wells to gas-injection wells.

IT IS THEREFORE ORDERED:

That the Kewanee Oil Company be, and the same hereby is granted permission:

-3-

Case No. 356
Order No. R-146

(1) To convert Pearl Wells Nos. 22 and 24, in Sec. 25, Twp. 17 South, Rge. 32 East, NMPM, and Pearl Well No. 26, in the W/2 Sec. 30, Twp. 17 South, Rge. 33 East, NMPM, Maljamar Pool, Lea County, New Mexico, from producing oil wells to gas-injection wells;

(2) To inject gas produced from Corbin "A" Well No. 3, in the W/2 Sec. 10, Twp. 18 South, Rge. 33 East, NMPM, Corbin Pool, Lea County, New Mexico, into the Grayburg-San Andres horizons of the Maljamar Pool reservoir, through Pearl Wells Nos. 22, 24 and 26.

IT IS FURTHER ORDERED:

That no oil allowable produced from Pearl Wells Nos. 22, 24 and 26, be transferred to other wells on the Pearl Lease by reason of said three wells being converted from producing oil wells to gas-injection wells.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

GUY SHEPARD, Member

R. R. SPURRIER, Secretary

S E A L

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.
ORDER NO.

IN THE MATTER OF THE APPLICATION OF KEWANEE
OIL COMPANY FOR AN ORDER GRANTING PERMISSION
TO RECOMPLETE PEARL WELL NO. 22-B IN THE NW/4
SE/4 OF SECTION 25, TOWNSHIP 17 SOUTH, RANGE
32 EAST, N.M.P.M., IN LEA COUNTY, NEW MEXICO,
IN THE RED SAND, AS AN UNORTHODOX LOCATION;
AND TO CONTINUE INJECTING GAS IN SAID WELL TO
THE MALJAMAR PAY HORIZON.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This matter came on regularly for hearing at
10 o'clock A. M. on April 20, 1955, at Santa Fe, New
Mexico, before the Oil Conservation Commission of New
Mexico, hereinafter referred to as the "Commission".

NOW, on this _____ day of _____, 1955, the
Commission having before it for consideration the testi-
mony adduced at the hearing of said cause, and being fully
advised in the premises,

FINDS:

1. That due public notice having been given, in
compliance with law, the Commission has jurisdiction here-
of.

2. That on April 28, 1948, in Case No. 132, the
Commission entered Order No. 763, granting Kewanee Oil
Company permission to drill Pearl Well No. 22-B in the
NW/4 SE/4 of Section 25, Township 17 South, Range 32 East,
N.M.P.M., located 2615 feet West of the East Line and 2615
feet North of the South Line of said Section 25, as an

unorthodox location to be drilled to the Maljamar Pay; that said well was drilled to a depth of 4189 feet and completed in the Maljamar Pay on September 20, 1948, with an initial production of 54.7 barrels of oil per day.

3. That on May 1, 1952, the Commission entered Order No. R-146 in Case No. 356, granting Kewanee Oil Company permission to inject gas in the Maljamar Reservoir through Wells Nos. 22-B, 24-B and 26-B; that a gas injection program is being carried on on the Pearl Lease at the present time.

4. That at the time Pearl Well No. 22-B was drilled a commercial show of oil was found in the Red Sand Section from approximately 3465 feet to 3515 feet and that Kewanee Oil Company desires to recomplete said well as a producing oil well in the Red Sand, and to continue to inject gas through said well into the Maljamar Reservoir.

5. That in recompleting said Pearl Well No. 22-B as a producing well in the Red Sand and to continue to use said well as an injection well for the purpose of returning gas to the Maljamar Reservoir, Applicant proposes to run Gamma Ray - Neutron Survey, set a Baker Model "D" retainer production packer, blank off Baker Model "D" retainer production packer, perforate the Red Sand Zone, test the Red Sand Zone for oil production, sand-oil treat with sufficient volume to stimulate production, remove blanking tool from Baker Model "D" retainer production packer, run 2 inch tubing and 1 inch macoroni string with special Baker Adapter and tubing flow tube to separate producing horizons, and then produce the Red Sand Zone through 2 inch tubing and inject gas through 1 inch macoroni string into the Maljamar Reservoir.

6. That said Pearl Lease is committed to the Maljamar Cooperative Repressuring Agreement and that gas injected into Pearl Well No. 22-B will be obtained from the Maljamar Cooperative Repressuring Agreement Plant.

IT IS THEREFORE ORDERED:

1. That the Application of Kewanee Oil Company for an Order authorizing it to recomplete Pearl Well No. 22-B in the NW/4 SE/4 Section 25, Township 17 South, Range 32 East, N.M.P.M., in Lea County, New Mexico, in the Red Sand, as an unorthodox location, and to continue to inject gas through said well into the Maljamar Reservoir, in the manner hereinabove set forth, be and the same is hereby approved, and production being had from said Pearl Well No. 22-B in the Red Sand, said well is hereby given an allowable separate from the well located on the same 40-acre legal subdivision producing from the Maljamar Pay.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

Chairman

Member

Secretary and Member