

Case No.

132

Application, Transcript,
Small Exhibits, Etc.

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. 132
ORDER NO. 763

THE APPLICATION OF KEWANEE OIL COMPANY
FOR AN ORDER GRANTING PERMISSION TO DRILL
FOUR UNORTHODOX LOCATIONS DESIGNATED AS
WELLS NO. 21B, 22B, 23B and 24B on THAT
PORTION OF ITS PEARL LEASE DESCRIBED AS ALL
OF SECTION 25, 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 for hearing at 10:00 o'clock A.M. April 14, 1948, at Santa Fe, New Mexico before the Oil Conservation Commission of New Mexico hereinafter referred to as the "Commission".

NOW, on this 28th day of April 1948, the Commission having before it for consideration the testimony adduced at said hearing and being fully advised in the premises:

FINDS:

1. That due public notice having been given as provided by law, the Commission has jurisdiction of this cause.
2. That the acreage involved in the application is federally owned, and the Federal Oil and Gas Supervisor interposes no objections to the application.
3. That by reason of the permeability of the pay horizon in that part of the Maljamar Pool, greater ultimate recovery should be obtained by "five spotting".

IT IS THEREFORE ORDERED that the application of Kewanee Oil Company for an order authorizing four unorthodox locations be and the same hereby is approved as follows:

Township 17 South, Range 32 East, N.M.P.M.
Pearl No. 21B, to be located 2665 feet south
of the north line and 1295 feet west of the
East line (NE $\frac{1}{4}$ SE $\frac{1}{4}$) of Section 25;
Pearl No 22-B, to be located 2665 feet south
of the north line and 2615 feet west of the
East line (NW $\frac{1}{4}$ SE $\frac{1}{4}$) of said Section 25;
Pearl No. 23-B to be located 2665 feet south
of the north line and 1345 feet east of the
west line (NE $\frac{1}{4}$ SW $\frac{1}{4}$) of said Section 25;
Pearl No. 24-B, to be located 1345 feet south
of the north line and 1345 feet east of the
west line (SE $\frac{1}{4}$ NE $\frac{1}{4}$) of said Section 25.

IT IS FURTHER ORDERED that production from any well hereinabove authorized, when added to the production of any existing well in the same unit, shall not be produced in excess of the 40 acre allowable as now, or hereafter may be fixed for the Maljamar pool.

IT IS FURTHER ORDERED that the applicant shall file with the Commission copies of federal location notices for the hereinabove described location, after approval thereof by the Oil and Gas Supervisor.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

CHAIRMAN

John E. Miller

MEMBER

L. R. Spurr

SECRETARY

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

P. O. Box 997
Roswell, New Mexico
April 1, 1948

Applicant's Exhibit A

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

Dear Mr. Cochran:

Reference is made to your letter of March 26 transmitting a copy of an application executed by you on March 26, 1948, for Cochran and Siegenthaler, attorneys for applicant, Kewanee Oil Company, which has been filed with the Oil Conservation Commission of New Mexico for permission to drill four unorthodox well locations in sec. 25, T. 17 S., R. 32 E., N.M.P.M., Maljamar pool, Lea County, New Mexico.

The land involved in the application is embraced in Federal oil and gas lease Las Cruces 053697(b), now operated by Kewanee Oil Company.

The unorthodox well locations set forth in the application are approximately 25 feet from the common intersection of the boundaries of 40-acre legal subdivisions. The application provides that the additional wells are to be considered as constituting the second well on the respective 40-acre tract on which it is located and no additional allowable or unitization of production is requested.

No objection is offered by this office to the well spacing plan providing for the drilling of the additional wells numbered 21-B, 22-B, 23-B and 24-B at four unorthodox locations specified in the application. It is the opinion of this office that the drilling of additional wells should be encouraged to afford opportunity for the greatest ultimate recovery of oil and gas from the presently producing reservoir of the Maljamar pool.

Approval to drill the additional wells at the unorthodox locations will be contingent upon approval of such locations by the Oil Conservation Commission of the State of New Mexico for proration purposes.

Very truly yours,

Foster Morrill

FOSTER MORRILL,
Supervisor, Oil and Gas Operations.

cc: Mr. Cochran

BEFORE THE
OIL CONSERVATION COMMISSION
Santa Fe, New Mexico

The State of New Mexico by its Oil Conservation Commission hereby gives notice, pursuant to law, of the following public hearings to be held April 14, 1948, beginning at 10:00 o'clock A. M. on that day in the City of Santa Fe, New Mexico.

STATE OF NEW MEXICO TO:

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

Case No. 130

In the matter of the application of W. D. Brookover for approval for an oil well to be drilled in an unorthodox location 2490 feet from the west line and 1170 feet from the south line of Section 4, Township 18, South, Range 29 East, N.M.P.M. in the Loco Hills Pool, Eddy County, New Mexico.

Case No. 131

In the matter of the application of Malco Refineries, Incorporated, Dale Resler dba Resler Oil Company and Martin Yates, Jr., for approval of the deepening of an unorthodox location 2390 feet from the North line and 2390 feet from the East line of Section 28 in Township 18 South, Range 28 East, N.M.P.M. in the Artesia Pool, Eddy County, New Mexico.

Case No. 132

In the matter of the application of Kewanee Oil Company for an order granting permission to drill four unorthodox locations designated as wells No. 21B, 22B, 23B, and 24B on that portion of its Pearl lease described as All of Section 25, Township 17 South, Range 32 East, N.M.P.M., Lea County, New Mexico in the Haljamar Pool.

Given under the seal of the Oil Conservation Commission of
New Mexico, at Santa Fe, New Mexico, On March 29, 1948.

STATE OF NEW MEXICO

OIL CONSERVATION COMMISSION

(SEAL)

BY /s/ R.R. Spurrier
R. R. SPURRIER, Secretary

MEMBERS OF COMMISSION:

Hon. R.R. Spurrier, Secretary, Oil Conservation Commission,
Member.

LEGAL ADVISOR TO THE COMMISSION:

George A. Graham, Attorney.

R E G I S T E R

John E. Cochran, Jr.	Artesia, N. M.	Kewanee Oil Co.
John M. Harbison	Box 1462 Pampa, Texas	Division Engineer Kewanee Oil Co.
Frank C. Barnes	Oil and Gas Con- servation Com- mission, Santa Fe, N. M.	Oil and Gas Con- servation Com- mission.
N. Raymond Lamb	Artesia, N. M.	New Mexico Bureau Mines and Mineral Resources
Vilas P. Sheldon	Artesia, N. M.	W. D. Brookover and Malco-Resler- Yates
Roy O. Yarbrough	Hobbs, N. M.	Oil Conservation Commission
Oliver Seth	Santa Fe, N. M.	Seth & Montgomery

Said meeting was convened at the Office of the State
Land Commission, Santa Fe, New Mexico, at 10:00 o'clock A. M.
on April 14, 1948.

The meeting was called to order by Commissioner
Spurrier.

COMMISSIONER SPURRIER:

Let the record show that Commissioner Miles is ill and in the
hospital and was unable to be here, and Governor Mabry is
out of town. With the permission of the applicants in the
cases on the docket today, I will sit merely to take the

record. And any orders written following these cases will be promulgated and docketed from an executive session of the Commission sometime in the future. Now, is there any objection to this procedure? Mr. Sheldon, is that all right with you?

MR. SHELDON: Yes, sir.

COMMISSIONER SPURRIER: And Mr. Cochran?

MR. COCHRAN: Yes, sir.

COMMISSIONER SPURRIER: And you, Mr. Harbison?

MR. HARBISON: Yes, sir.

COMMISSIONER SPURRIER: Mr. Graham, will you read the advertisement of the first case?

(Reads the notice of publication.)

COMMISSIONER SPURRIER: Mr. Sheldon, you will appear in this, I believe?

MR. SHELDON: Yes, sir.

COMMISSIONER SPURRIER: Proceed.

MR. SHELDON: The situation of Mr. Brookover is that he had a 160 acre lease relatively near the west edge of production from the Loco Hills sand. He did drill four wells on the 160, three of the wells producing from the Loco Hills sand and one well producing from a lower sand. At this time, in fact several years back, one of his wells--number 3--became so--became capable of producing such a small amount of oil, that it was no longer possible to produce it. And proper forms have been prepared and submitted to the Oil Conservation Commission for the question of approval to plug the well. And Mr. Brookover is now plugging the well, or planning to in the very near future. It might have been done in the last two or three weeks. He would like to dig another well 150 feet from the center of his lease, which would be 17--pardon me, 1170 feet from the south line and 2490 feet from the west line of the section. Here is a map which I will leave as an exhibit.

COMMISSIONER SPURRIER: All right.

MR. SHELDON: Showing that particular property.

COMMISSIONER SPURRIER: This is Exhibit A.

MR. SHELDON: And another map, Exhibit B, shows the western limitation of the production from Loco Hills sand, which more or less reveals why Brookover wants to dig the well where he does. Getting too crowded up in that corner to get any chance.

COMMISSIONER SPURRIER: Yes.

MR. SHELDON: He is not crowding any other person. He is just going into the center of his lease.

COMMISSIONER SPURRIER: Yes.

MR. SHELDON: And this land is patented land. I believe that is all I have unless there are questions. I might add there, Dick, that his reason for wanting to dig the hole is that he feels pretty sure he can get a small well, and it will increase the ultimate yield from the lease.

COMMISSIONER SPURRIER: This well is about 150 feet from out of the corner, isn't it?

MR. SHELDON: Yes, it is 150 feet out of the corner of one unit.

COMMISSIONER SPURRIER: And he owns all four of the forty's immediately offsetting?

MR. SHELDON: Yes, he owns 160.

COMMISSIONER SPURRIER: Does anyone have any question of Mr. Sheldon? If there are no questions, that will be all for Case No. 120. Mr. Sheldon, you understand, now, that I can't take this under advisement. I can't do anything about it. I will have to wait until we get the Commission together.

MR. SHELDON: That is understood.

COMMISSIONER SPURRIER: And we will consider what you have put in the record, and no doubt some order will be promulgated from the record.

MR. SHELDON: Yes.

COMMISSIONER SPURRIER: The next case, Mr. Graham.

(Reads the notice of publication in Case No. 131.)

COMMISSIONER SPURRIER: Mr. Sheldon, I believe this falls on you again.

MR. SHELDON: This well is very similar to several cases you had not long ago. It is identical.

COMMISSIONER SPURRIER: Identical?

MR. SHELDON: Well, several months ago--I forget which day--this operator requested a hearing, and a hearing was held in front of the Commission. As a result of which, permission was granted to deepen some five or six wells from the sand from which they had been producing for some twenty years down to the Lime Pay. At that time, through oversight--well, it wasn't through oversight--the operator requested permission to deepen well 19 in a particular forty-acre unit. When the operator attempted to rig up over that well, and checked into it, it was discovered that the hole was in such bad mechanical condition it would have been very expensive to go into it. So, the operator is now requesting permission to deepen the 14, which is on the same forty-acre tract as the 19. Of course, we will be willing to have our permission to deepen 19 removed. We will never deepen 19. We can't deepen it. I know of nothing to add. I am perfectly willing to let this case ride on the same testimony we offered before as to why we want to do it. The only reason we picked this well was because we had to make a substitution.

COMMISSIONER SPURRIER: These cases follow identically with the cases heard on February 17th, I believe it was, Bill.

MR. SHELDON: Yes. In fact, permission to deepen state 19 was heard in Case No. 122.

COMMISSIONER SPURRIER: Yes.

MR. SHELDON: And now, we are requesting that that authority

be simply transferred to State 14 on the same proration.

MR. GRAHAM: Do you ask that the authority for 19 be rescinded?

MR. SHELDON: Not necessarily. You say. The hole is junked. It is in bad mechanical condition and we can't do anything with it. It would be perfectly all right to rescind it.

COMMISSIONER SPURRIER: I think the plugging of it will cover that one, probably.

MR. SHELDON: Yes.

COMMISSIONER SPURRIER: Referring to Case No. 130. Just for a minute, Mr. Sheldon. That is the Brookover well.

MR. SHELDON: Yes.

COMMISSIONER SPURRIER: What does the operator, Mr. Brookover, contemplate that his allowable will be from this well now? What I am driving at is: how many wells are there on the forty acres?

MR. SHELDON: There will be one well on this forty-acre unit because well number 3 is being plugged. He will want just one forty-acre unit alive. The fact is, he couldn't possibly produce forty barrels.

MR. GRAHAM: The original well actually is being plugged?

MR. SHELDON: Papers have been filed with the State requesting or notifying the state. I presume that the well will be plugged. Whether the spudder has actually moved on to plug it or not, I don't know. I haven't seen the well for several weeks. It will be perfectly all right with Mr. Brookover to make the plugging of that well compulsory for the privilege of digging the next one. That will be all right if you so desire.

COMMISSIONER SPURRIER: I think that clears our record, Mr. Sheldon. The next case, Mr. Graham.

(Needs the notice of publication in Case No. 132.)

John M. Harbison, having been first duly sworn,
testified as follows:

DIRECT EXAMINATION BY MR. COCHRAN:

Q. Will you please state your name?

A. John M. Harbison.

Q. By whom are you employed, Mr. Harbison?

A. Kewanee Oil Company.

Q. In what capacity are you employed?

A. Division engineer.

Q. As division engineer, are you familiar with their properties in West Texas and New Mexico?

A. I am.

Q. You are familiar with what they designate as their Pearl Lease?

A. I am.

Q. Is the portion of that lease involved in this application described as all of Section 25, Township 17 South, Range 32 East?

A. It is.

Q. Lea County, New Mexico?

A. Yes, sir.

Q. Will you state how many wells have been drilled on the entire Pearl Lease up to the present time?

A. Twenty wells.

Q. Will you state how many of these wells are producing at the present time?

A. Eighteen wells.

Q. There are two wells on the property that are not producing?

A. That is right.

Q. Will you state the spacing pattern upon which the present wells were drilled?

A. Forty-acre spacing.

Q. One well to forty acres?

A. That is right.

Q. From what horizon are the wells on this property producing?

A. Approximately 4,000 feet.

Q. What is that pay called?

A. Maljamar.

Q. In your application it is stated that it is your belief that one well in the center of forty acres is not sufficient to obtain all of the recoverable oil under a forty-acre tract.

A. That is right.

Q. Will you state your opinion or ideas with reference to that?

A. Well, in that particular part of the field it is believed that the permeability is such that the oil will not travel across the forty-acre tract into each one of those wells. It is felt that closer spacing will recover a higher ultimate yield than the regular forty-acre spacing would do.

Q. Will you state to Mr. Spurrier and for the purpose of the record the locations of the four wells applied for?

A. Yes. Pearl No. 21B is in the NE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 25, Township 17 South, Range 32 East, N.M.B.M. It is located 2665 feet south of the north line and 1295 feet west of the east line of said Section 25. For simplicity, all of these are in Section 25, Township 17 South, Range 32 East. To keep you from copying that, I will just omit that. 22B will be located in NW $\frac{1}{4}$ SE $\frac{1}{4}$, to be located 2665 feet south of the north line and 2615 feet west of the east line of said Section 25. Pearl 23B NE $\frac{1}{4}$ SW $\frac{1}{4}$, to be located 2665 feet south of the north line and 1345 feet east of the west line of said Section 25. Pearl 24B in SE $\frac{1}{4}$ NW $\frac{1}{4}$, to be located 1345 feet south of the north line and 1345 feet east of the west line of said Section 25.

Q. Now, Mr. Harbison.....

COMMISSIONER SPURRIER: Does he have a map on that?

A. Yes, I do.

Q. Mr. Harbinger, in the event permission is granted to drill these wells, will you state how you propose to produce these wells with respect to the allowable for the forty-acre tract that each well is on?

A. We only expect to produce the oil that is set up as that forty-acre unit allowable.

Q. In other words, where the well drilled constitutes a second well on the forty, the allowable will remain unchanged?

A. That is true.

Q. And you will withdraw the allowable from two wells instead of one?

A. That is true.

Q. Mr. Harbinger, I believe the lease in question is a Federal lease?

A. It is.

Q. Mr. Spurrier, we offer in evidence as Applicant's Exhibit A a letter addressed to me from Foster Mowell, Supervisor of the United States Geological Survey, showing their position with respect to the application for these four unorthodox wells and in which no objection is made. Do you have any questions, Mr. Spurrier?

COMMISSIONER SPURRIER: I don't have a question, Mr. Cochran. That was the one thing that was in my mind.

MR. COCHRAN: Do you, Mr. Graham?

MR. GRAHAM: No questions.

MR. COCHRAN: As part of this application, Romanas Oil Company asks that they be granted permission to drill the four wells at the locations described and set forth, and that they be furnished a written order granting this permission.

MR. GRAHAM: Mr. Cochran, do you expect to follow our rules of procedure? You will give us a copy of the Federal relocation notice?

MR. COCHRAN: Yes. I believe the notice has been filed in Mr.

Morrell's office. But, of course, it has not been approved, and as he states in this letter, their office approves it subject to approval by the Commission. We will see that you are mailed a copy of that notice of intention to drill. Do you want a copy of the approved copy which Morrell approves?

MR. GRAHAM: After he approves it.

COMMISSIONER: It is a nice thing to include in the case file, John. That completes it.

MR. COCHRAN: Yes, sir.

COMMISSIONER SPURLOCK: Is there anything further? Any more questions? If not, the meeting is adjourned.

* * * * *

C E R T I F I C A T E

I HEREBY CERTIFY that the foregoing transcript of proceedings before the Oil Conservation Commission, State of New Mexico, on April 14, 1948, in Santa Fe, New Mexico, is a true transcript of such proceedings to the best of my knowledge, skill, and ability.

I FURTHER CERTIFY that I am the official Court Reporter for the District Court of the United States for the District of New Mexico.

Dated at Santa Fe, New Mexico, this 15th day of April, 1948.

COURT REPORTER

AFFIDAVIT OF PUBLICATION

State of New Mexico,
County of Lea

I, Robert L. Summers

Of the Hobbs Daily News-Sun, a daily newspaper published at Hobbs, New Mexico, do solemnly swear that the clipping attached hereto was published once a week in the regular and entire issue of said paper, and not in a supplement thereof for a

period of _____

One Issue _____ weeks.

beginning with the issue dated _____

March 31, _____, 19 48

and ending with the issue dated _____

19
Robert L. Summers
Publisher.

Sworn and subscribed to before me

this _____ day of _____

April _____, 19 48
Neil Jones
Notary Public.

My commission expires _____

January 7, _____, 19 51
(Seal)

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937, and payment of fees for said publication has been made.

LEGAL NOTICES

**March 31, 1948
NOTICE OF PUBLICATION
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION**

The State of New Mexico by its Oil Conservation Commission hereby gives notice, pursuant to law, of the following public hearings to be held April 14, 1948, beginning at 10:00 o'clock A. M. on that day in the City of Santa Fe, New Mexico.

STATE OF NEW MEXICO TO:

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

CASE NO. 132

In the matter of the application of Kewanee Oil Company for an order granting permission to drill four unorthodox locations designated as wells Nos. 21B, 22B, 23B, and 24B on that portion of its Pearl Lease described as All of Section 25, Township 17 South, Range 32 East, N.M.P.M., Lea County, New Mexico in the Maljamar Pool.

Given under the seal of the Oil Conservation Commission of New Mexico at Santa Fe, New Mexico, on March 29, 1948.

**STATE OF NEW MEXICO
OIL CONSERVATION
COMMISSION**

By R. R. Spurrier, Secretary

C
O
P
Y

P. O. Box 371
April 8, 1948

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

Dear Sir:

We wish to call your attention to the fact that the
Hearing scheduled for April 14 will be held in the Senate
Chambers of the Capitol.

Very truly yours,

C
O
P
Y

29 March 1948

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

Dear Mr. Cochran:

This is to advise you that the Kewanee Oil Company petition known as Case 132 will be heard on April 14, 1948, beginning at 10:00 o'clock A.M.

The hearing will be held in the Coronado Room of the La Honda Hotel, Santa Fe.

Very truly yours,

GEORGE A. GRAHAM
ATTORNEY

GAG:bsp

C
O
P
Y

29 March 1948

Hobbs Daily News-Sun
Hobbs, New Mexico

RE: Case No. 132 - Notice of Publication

Gentlemen:

Please publish the enclosed notice once, immediately. Please proof-read the notice carefully and send a copy of the paper carrying such notice.

UPON COMPLETION OF THE PUBLICATION, PLEASE SEND PUBLISHER'S AFFIDAVIT IN DUPLICATE.

For payment please submit statement in duplicate, accompanied by voucher executed in duplicate. The necessary blanks are enclosed.

Very truly yours,

GEORGE A. GRAHAM,
A COUNSEL

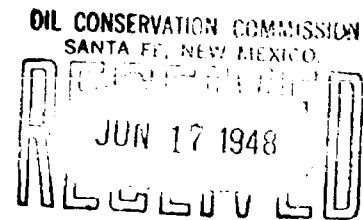
GAG:bsp

cc: Roy O. Yarbrough

LAW OFFICES
COCHRAN & SIEGENTHALER
CARPER BUILDING
ARTESIA, NEW MEXICO

JOHN E. COCHRAN, JR.
WILLIAM M. SIEGENTHALER

June 14, 1948



Mr. George Graham, Attorney
Oil Conservation Commission
State of New Mexico
Santa Fe, New Mexico

In re: Case No. 132, Order No. 763

Dear Mr. Graham:

In Case No. 132, Order No. 763, issued by the Oil Conservation Commission of New Mexico, in connection with Application of Kewanee Oil Company to drill four unorthodox locations designated as wells Nos. 21-B, 22-B, 23-B and 24-B on its Pearl Lease, described as All of Section 25, Township 17 South, Range 32 East, N.M.P.M. in the Maljamar Pool of Lea County, New Mexico, it was required that the applicant file with the Commission copies of Federal location notices for these four wells.

Therefore, in accordance with this Order, we are enclosing herewith on behalf of Kewanee Oil Company for your files, copies of notices of intention to drill the above numbered four wells on the Pearl Lease, as filed by Kewanee Oil Company with the United States Geological Survey. Attached to each notice of intention to drill is a photostatic copy of letter received by Kewanee Oil Company from the United States Geological Survey at Artesia, New Mexico, granting permission to drill each of the four above numbered wells. For your information, all of the conditions set forth in the approval letter of the United States Geological Survey have been satisfactorily met.

We trust the enclosures satisfactorily complete your file.

Very truly yours

COCHRAN & SIEGENTHALER

John E. Cochran, Jr.

JEC:rm
Encls

cc: Mr. F. D. Baker
Assistant Production Superintendent
Kewanee Oil Company
Tulsa, Oklahoma

(SUBMIT IN TRIPLICATE)
UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Land Office Las Cruces
Lease No. 0586
Unit _____

SUNDRY NOTICES AND REPORTS ON WELLS

NOTICE OF INTENTION TO DRILL.....	<input checked="" type="checkbox"/>	SUBSEQUENT REPORT OF WATER SHUT-OFF.....	
NOTICE OF INTENTION TO CHANGE PLANS.....		SUBSEQUENT REPORT OF SHOOTING OR ACIDIZING.....	
NOTICE OF INTENTION TO TEST WATER SHUT-OFF.....		SUBSEQUENT REPORT OF ALTERING CASING.....	
NOTICE OF INTENTION TO RE-DRILL OR REPAIR WELL.....		SUBSEQUENT REPORT OF REDRILLING OR REPAIR.....	
NOTICE OF INTENTION TO SHOOT OR ACIDIZE.....		SUBSEQUENT REPORT OF ABANDONMENT.....	
NOTICE OF INTENTION TO PULL OR ALTER CASING.....		SUPPLEMENTARY WELL HISTORY.....	
NOTICE OF INTENTION TO ABANDON WELL.....			

(INDICATE ABOVE BY CHECK MARK NATURE OF REPORT, NOTICE, OR OTHER DATA)

PEARL LEASE

Tulsa, Oklahoma May 14, 1948

Well No. 21 is located 2615 ft. from DN line and 1295 ft. from E line of sec. 25

NE/4 SE/4 Sec. 25
(4 Sec. and Sec. No.)

17S
(Twp.)

32E
(Range)

N.M.P.M.
(Meridian)

Maljamar
(Field)

Lea
(County or Subdivision)

New Mexico
(State or Territory)

The elevation of the ~~ground~~ ^{ground} floor above sea level is 4022.6 ft.

DETAILS OF WORK

(State names of and expected depths to objective sands; show sizes, weights, and lengths of proposed casings; indicate mudlogging jobs, cementing points, and all other important proposed work)

We propose to drill this location with cable tools to an approximate total depth of 4250'. We also plan on cementing 8-5/8" OD 28# casing at approximately 1100' with 50 sacks cement and 7" OD 23# casing at approximately 1100' with 175 sacks cement. Aquagel will be circulated ahead of cement on both strings of casing. After cementing will let well stand 72 hours for cement to set.

See attached plat prepared by Registered Professional Engineer and Land Surveyor.

I understand that this plan of work must receive approval in writing by the Geological Survey before operations may be commenced.

Company Keweenaw Oil Company

Address P.O. Box 729

Tulsa 1, Oklahoma

By W.D. Albert

Title Production Superintendent

May 21, 1948

Kewanee Oil Company
P. O. Box 729
Tulsa 1, Oklahoma

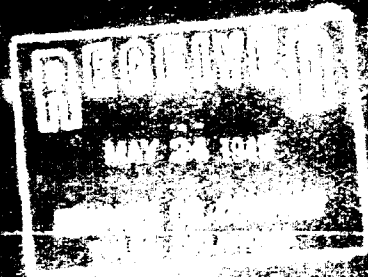
Re: L.C. 058697-B

Gentlemen:

Receipt is acknowledged of your "Notice of Intention to Drill" dated May 14, 1948, covering your No. 21-B Pearl well on the subject land in the NE¹ SE¹, section 25, T. 17S., R. 32E., Maljamar Field, Lea County, New Mexico.

Your proposed work is hereby approved subject to compliance with the provisions of the "Oil and Gas Operating Regulations" revised May 25, 1942, a copy of which will be sent you on request, and subject to the following conditions:

1. Drilling operations so authorized are subject to the attached sheet for general conditions of approval.
2. Furnish the U. S. Geological Survey with copies of the sample description log from the base of the salt, and all other surveys run on the well.
3. This approval also subject to authorization by the New Mexico Oil Conservation Commission of the unorthodox well location prior to production of any oil or gas from said well, and
4. That Kewanee Oil Company file an appropriate stipulation agreeing that the lease will not be separated by assignment or otherwise until said well is plugged and abandoned in a satisfactory manner.



Yours very truly

[Handwritten signature]

NOTICE OF PUBLICATION
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

The State of New Mexico by its Oil Conservation Commission hereby gives notice, pursuant to law, of the following public hearings to be held April 14, 1948, beginning at 10:00 o'clock A.M. on that day in the City of Santa Fe, New Mexico.

STATE OF NEW MEXICO TO:

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

CASE NO. 132

In the matter of the application of Kewanee Oil Company for an order granting permission to drill four unorthodox locations designated as wells No. 21B, 22B, 23B, and 24B on that portion of its Pearl Lease described as All of Section 25, Township 17 South, Range 32 East, N.M.P.M., Lea County, New Mexico in the Maljamar Pool.

Given under the seal of the Oil Conservation Commission of New Mexico at Santa Fe, New Mexico, on March 29, 1948.

STATE OF NEW MEXICO

OIL CONSERVATION COMMISSION

By R. R. Spurrer
R. R. SPURRIER, Secretary

JOHN E. COCHRAN, JR.
WILLIAM M. SIEGENTHALER

LAW OFFICES
COCHRAN & SIEGENTHALER
CARPER BUILDING
ARTESIA, NEW MEXICO

March 26, 1948

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11 55 AM '48
100-132

Oil Conservation Commission
State of New Mexico
State Capitol Building
Santa Fe, New Mexico

Attention: Mr. Spurrier

Gentlemen:

Enclosed herewith is application, in duplicate, of Kewanee Oil Company for order granting permission to drill four unorthodox locations designated as wells 21-B, 22-B, 23-B and 24-B, on that portion of its Pearl Lease described as All of Section 25, Township 17 South, Range 32 East.

At your earliest convenience will you please set a date for hearing this application and publish notice thereof and advise the undersigned of the time and place of hearing on this application.

The land upon which these locations are desired is Federal land and, therefore, a copy of this application is being furnished Mr. Foster Morrell, Supervisor of the United States Geological Survey at Roswell, New Mexico.

Very truly yours

COCHRAN & SIEGENTHALER

John E. Cochran, Jr.
John E. Cochran, Jr.

JEC:rm

Encls

cc: Mr. Foster Morrell, Supervisor
United States Geological Survey
Roswell, New Mexico

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
KEWANEE OIL COMPANY FOR ORDER GRANT-
ING PERMISSION TO DRILL FOUR UN-
ORTHODOX LOCATIONS, DESIGNATED AS
WELLS 21-B, 22-B, 23-B AND 24-B, ON
THAT PORTION OF ITS PEARL LEASE DE-
SCRIBED AS ALL OF SECTION 25, TOWN-
SHIP 17 SOUTH, RANGE 32 EAST, N.M.P.
M., IN LEA COUNTY, NEW MEXICO

NO. _____

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 it respectfully
shows to the Commission:

1. That applicant is the owner and holder
of Federal Oil and Gas Lease Las Cruces Serial Number
058697 insofar as said lease covers the following de-
scribed land situated in Lea County, State of New Mex-
ico, 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 twenty
wells located upon the land hereinabove described and
that, at the present time, eighteen of said wells are

producing; that twelve of said producing wells are located in Section 25 and six of said producing wells are located in Lots 1, 2, 3 and 4 and E/2 W/2 of Section 30; that each of said wells is drilled on a spacing pattern of one well to a legal forty-acre subdivision. That all of said wells are located in what is known as the Maljamar Pool of Lea County, New Mexico and that all of said producing wells are producing from what is known as the Maljamar pay encountered at an approximate depth of 4,000 feet.

3. That Kewanee Oil Company, upon the basis of geological and engineering information, is advised and is of the opinion and belief that one well located in the center of each forty-acre legal subdivision is not sufficient to obtain all of the recoverable oil under any forty-acre tract. That the drilling of "five spot" wells in Section 25 at the locations shown on the map attached hereto, marked Exhibit "A" and by reference made a part hereof, would be in the interest of conservation, prevent waste and enable applicant to obtain a greater ultimate recovery of oil by the drilling of such "five spot" locations.

4. That Kewanee Oil Company desires to drill four such "five spot" locations, numbered and located as follows:

PEARL NO. 21-B: In NE/4 SE/4 of Section 25, Township 17 South, Range 32 East, N. M.P.M., to be located 2665 feet South of the North Line and 1295 feet West of the East Line of said Section 25;

PEARL NO. 22-B: In NW/4 SE/4 of Section 25, Township 17 South, Range 32 East, N. M.P.M., to be located 2665 feet South of the North Line and 2615 feet West of the East Line of said Section 25;

PEARL NO. 23-B: In NE/4 SW/4 of Section 25, Township 17 South, Range 23 East, N. M.P.M., to be located 2665 feet South of the North Line and 1345 feet East of the West Line of said Section 25;

PEARL NO. 24-B: In SE/4 NW/4 of Section 25, Township 17 South, Range 32 East, N. M.P.M., to be located 1345 feet South of the North Line and 1345 feet East of the West Line of said Section 25;

the locations of each of said wells being shown on the map attached hereto, marked Exhibit "A".

5. That Kewanee Oil Company does not request that in the event said four above described wells, when drilled, are productive that it be granted any additional allowable for said wells but that the allowable as set forth in the Proration Schedule of the Oil Conservation Commission of the State of New Mexico for each forty acre unit contained in Section 25 shall remain the same as if there were only one producing well on such forty acre tract, and that on such forty acre tracts where one of the above described wells shall constitute a second well, then there shall only be produced from such second well and the then existing well upon such forty acre tract a quantity of oil per month equal to the allowable set for such forty acre unit by the Oil Conservation Commission of the State of New Mexico as though there were only one producing oil well on such forty acre unit.

WHEREFORE, applicant prays that it be granted permission to drill the four wells at the locations hereinabove described and shown on map attached hereto, marked Exhibit "A"; that the commission set a date for hearing herein in accordance with its rules and regulations and that upon presentation of this application that proper order be entered granting permission to applicant to drill said wells.

COCHRAN & SIEGENTHALER

By

John E. Cochran, Jr.
Attorneys for applicant
Kewanee Oil Company

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

John E. Cochran, Jr., being first duly sworn upon his oath deposes and states: That he is one of the attorneys for the applicant in the above and foregoing application and that he has read the same and from personal knowledge knows the matters therein contained to be true and correct, except such statements as are alleged upon information and belief and as to those, he verily believes them to be true; that this verification is made by him on behalf of Kewanee Oil Company because a representative or agent of Kewanee Oil Company is not available to sign this application.

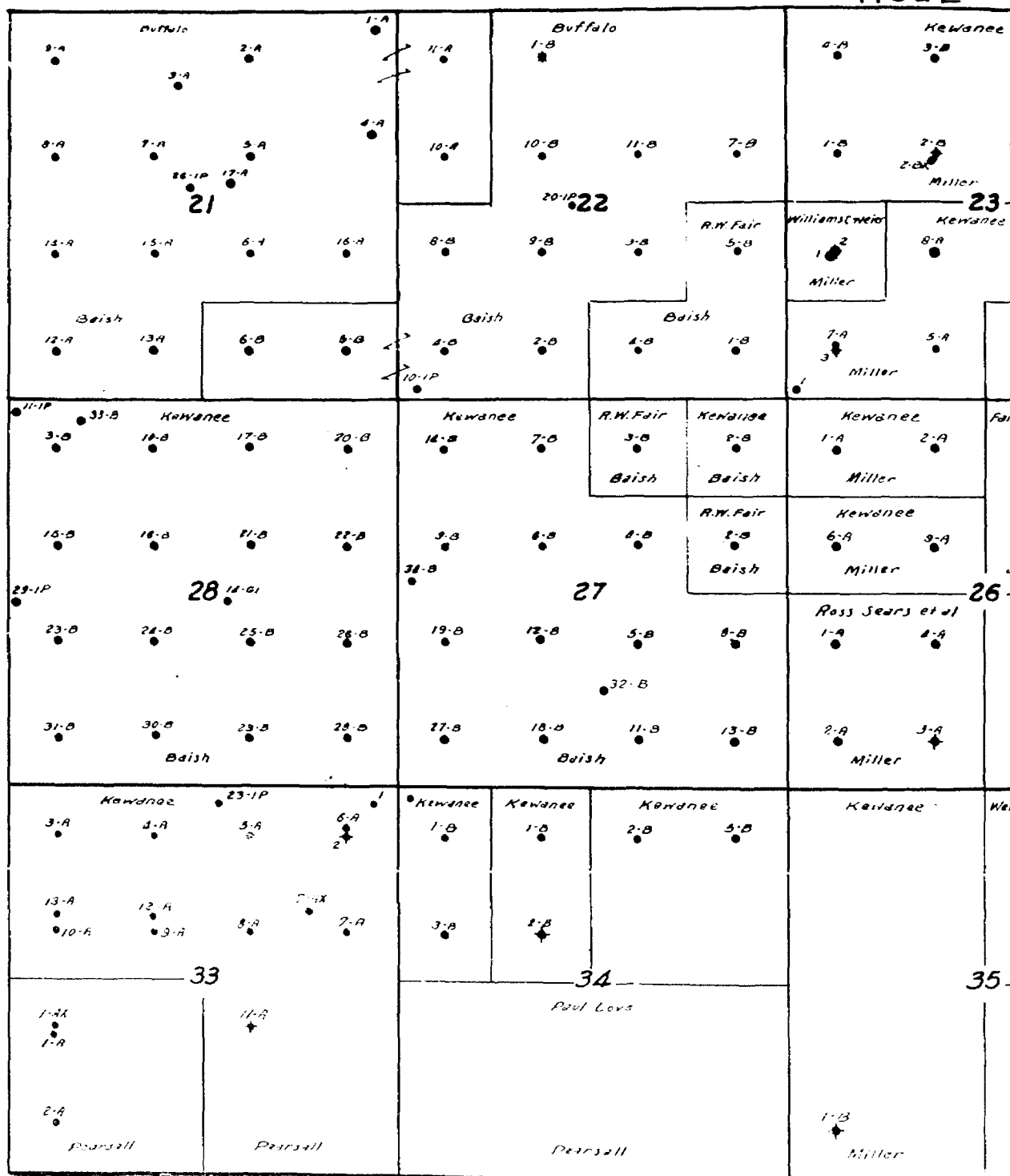
John E. Cochran, Jr.
SUBSCRIBED AND SWORN to before me this 26th
day of March, 1948.

Charles G. Marshall
Notary Public

My commission expires:
April 1, 1949

AREA MAP
KEWANEE OIL COMPANY
MALJAMAR OIL F
LEA COUNTY, NEW I

R 32 E

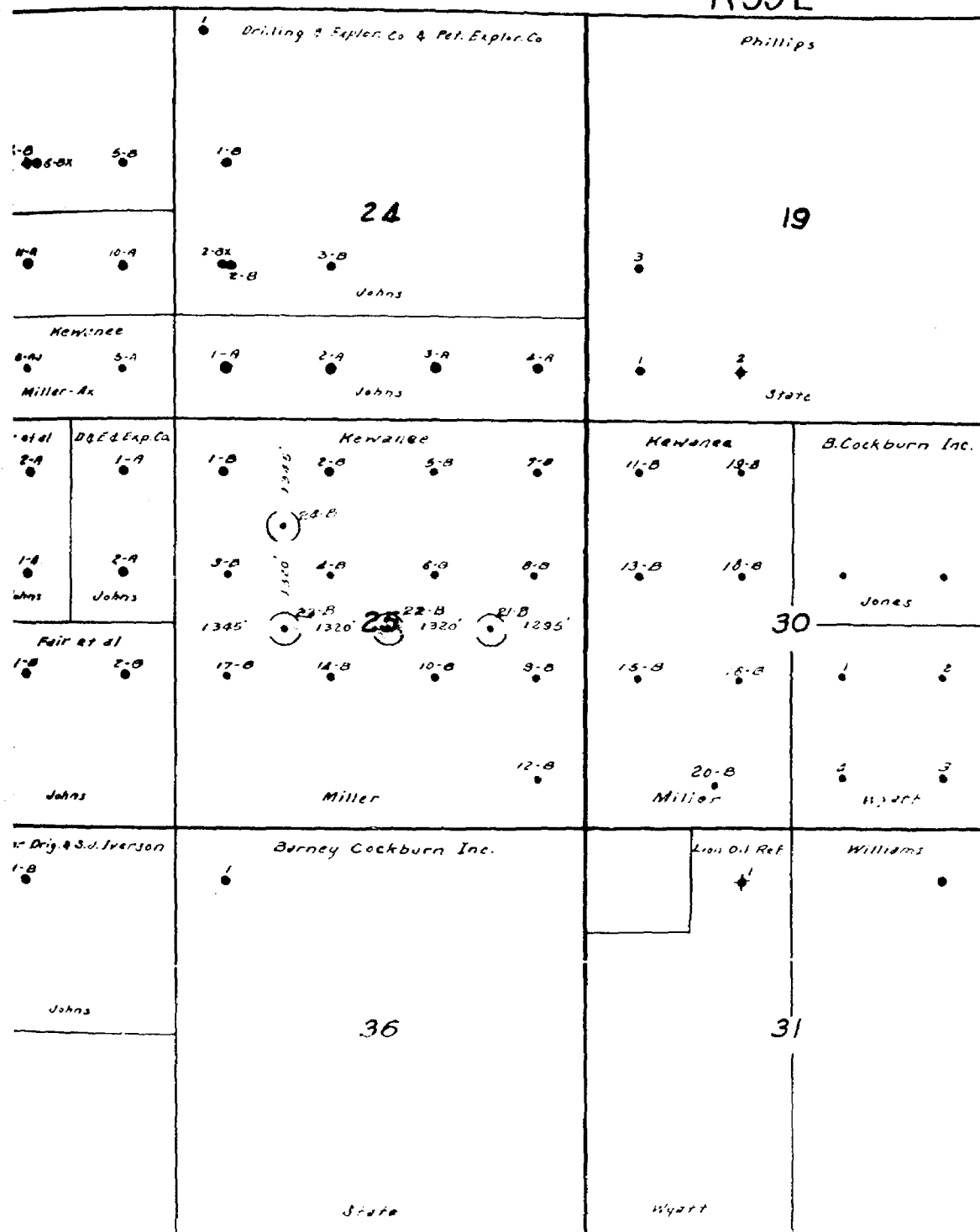


Each well located
Locations surveyed

EXHIBIT 11

LEASES
FIELD
MEXICO

R33E



T
17
S

25'S & 25'E of NW. corner of 40-acre tract
owned by W.W. Parts, Reg. Engr.



SCALE 1"=2000'