

Case No.

184

Application, Transcript,
Small Exhibits, Etc.

June 2, 1949

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

Dear Mr. Cochran:

We are enclosing herewith signed copies of Orders 821, 823 and 826, in connection with the hearing held by the Commission on May 5, 1949.

These are for your records.

Very truly yours,

R. R. Spurrier
Secretary and Director

RRS:bw
encls.

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 May 5, 1949, beginning at 10:00 o'clock A.M. on that day in the City of Santa Fe, New Mexico, in the Senate Chambers.

STATE OF NEW MEXICO TO:

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

advisement
Case 176

In the matter of the application of the Oil Conservation Commission upon its own motion to reconsider Order 788 issued in Case No. 146 relating to transportation of crude petroleum, and to amend or restate, such order or any part thereof. (This is a readvertisement of Case 176, heretofore published.)

advisement
Case 177

In the matter of the amended application of the Oil Conservation Commission upon its own motion to rescind, revise, change or amend Order No. 573, which became effective as of June 1, 1944 and generally known as the "Bonus Discovery Allowable Order", and to rescind, revise or amend Section 4 of Order 798, effective November 19, 1948, which amends and supercedes previous Statewide Proration Order No. 637.

advisement
Case 181

In the matter of the application of the R. Olsen Oil Company for an order authorizing an unorthodox well location for a gas well in the center of SW $\frac{1}{4}$ of Section 11, Township 24 South, Range 36 East, in the Cooper-Jal Pool, Lea County, New Mexico.

granted
Case 182

In the matter of the application of V.S. Welch, Carper Drilling Company and Max W. Coll for an order permitting an unorthodox well location, 1330 feet south of the north line and 1310 feet approximately west of the east line (NW corner SE $\frac{1}{4}$ NE $\frac{1}{4}$) of Section 36, Township 16 South, Range 30 East, N.M.P.M., in the Square Lake Pool, Eddy County, New Mexico.

granted
Case 183

In the matter of the application of Red Lake Oil Company, a co-partnership composed of Nell Gillespie, Van Philip Welch, Jr., Marjorie Nell Welch and Robert

Hill Welch, by V. S. Welch, guardian of Van Philip Welch, Jr., Marjorie Nell Welch and Robert Hill Welch, minors, and manager at Artesia, New Mexico of the Red Lake Oil Company, for an order permitting and approving an unorthodox well location 1687 feet south of the north line and 1580 feet west of the east line of Section 29, in Township 17 South, Range 28 East, N.M.P.M., in the Red Lake Pool, Eddy County, New Mexico.

granted
Case 184

In the matter of the application of Kewanee Oil Company for an order granting permission to drill two "five spot" unorthodox well locations, identified as Well 27-B located 1295 feet north of the south line and 1245 feet west of the east line (SE $\frac{1}{4}$ SE $\frac{1}{4}$) of Section 25, and Well 28-B, located 1295 feet north of the south line and 2615 feet west of the east line (SW $\frac{1}{4}$ SE $\frac{1}{4}$) of Section 25, all in Township 17 South, Range 32 East, N.M.P.M., in the Maljamar Pool, Lea County, New Mexico.

granted
Case 185

In the matter of the application of Buffalo Oil Company for an order granting permission to drill an unorthodox well location designated as Well No. 21-A to be located 25 feet north and 25 feet east of the southwest corner of the NE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 21 in Township 17 South, Range 32 East, and for permission to plug back Well No. 15-A on the same forty acre tract and produce the same from the Yates sand, said tract being in the Maljamar Pool, Lea County, New Mexico.

granted
Case 186

In the matter of the application of Bassett & Collier for an order granting permission to drill an unorthodox location designated as Well No. 6, Williams Estate Fee, located 990 feet south of the north line and 2623 feet west of the east line of Section 25, Township 18 South, Range 26 East, N.M.P.M., in the Dayton Pool, Eddy County, New Mexico.

Given under the seal of the Oil Conservation Commission of New Mexico, at Santa Fe, New Mexico, on April 21, 1949.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

R. R. Spurrier
R. R. SPURRIER, Secretary

SEAL



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

P.O. Box 997
Roswell, New Mexico
April 25, 1949

RECEIVED

APR 26 1949

JOHN E. COCHRAN, JR.
ATTORNEY-AT-LAW

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

Re: Las Cruces 058697(b)

Dear Mr. Cochran:

Reference is made to your letter of April 19 transmitting a copy of an application executed by you as attorney for applicant, Kewanee Oil Company, which you are filing with the New Mexico Oil Conservation Commission for permission to drill two unorthodox well locations in Sec. 25, T. 17 S., R. 32 E., N.M.P.M., Maljamar Pool, Lea County, New Mexico.

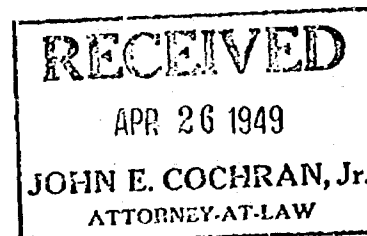
The land in which the proposed wells are to be drilled is embraced by Federal oil and gas lease Las Cruces 058697(b). Well Pearl No. 27-B is to be located 1295 feet from the south line and 1245 feet from the east line of section 25, T. 17 S., R. 32 E. and Well Pearl No. 28-B is to be located 1295 feet from the south line and 2615 feet from the east line of said section 25.

The unorthodox well locations as described in the application are approximately 25 feet from the common intersections of the boundaries of 40-acre legal subdivisions. No encroachment of the outer boundaries of the leasehold is involved as the proposed locations are more than 330 feet from lease boundaries.

No objection is offered by this office to the well-spacing plan providing for the drilling of Pearl No. 27-B well in the SE¹/₄ Sec. 25 and Pearl No. 28-B in the SW¹/₄ Sec. 25. It is the opinion of this office that the drilling of such additional wells should be encouraged to increase the ultimate recovery of oil and gas from the Maljamar Pool.

Approval to drill the proposed wells at the unorthodox locations will be contingent upon (1) the approval of such locations by the Oil Conservation Commission of the State of New Mexico for proration purposes and (2) the filing of a stipulation in triplicate, executed by the Kewanee Oil Company, wherein it agrees to treat the 40-acre tracts surrounding each of the proposed wells as a single unit for

Page 2
Mr. John E. Cochran, Jr.
April 25, 1949



purposes of assignment and that none of the 40-acre tracts involved will be separately assigned until the wells have been properly plugged and abandoned.

Very truly yours,

R. E. Canfield
R. E. CANFIELD,
Acting Supervisor, Oil and Gas Operations.

KEWANEE OIL COMPANY

KENNEDY BUILDING

P. O. BOX 2230

TULSA 1, OKLAHOMA

PRODUCTION DEPARTMENT

June 13, 1949



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

Gentlemen:

Enclosed are photostatic copies of Federal Location Notices
for our Pearl Wells Nos. 27 and 28, as ordered by the
Commission in Case No. 184, Order No. 826.

Very truly yours,

A handwritten signature in cursive script, reading "M. M. Tharp".

M.M. Tharp

MMT:o
Enc.

June 9, 1949

Lawrence Oil Company
Box 2239
Tulsa 1, Oklahoma

Re: L. C. 058697-B

Gentlemen:

Receipt is acknowledged of your "Notice of Intention to Drill" dated May 31, 1949, covering your No. 27 Pearl Miller "B" well on the subject land in the SE $\frac{1}{4}$ SE $\frac{1}{4}$, 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 a percentage sample log covering formations drilled from the base of salt to total depth.
3. The location of this well was approved for proration purposes by N.M.O.C.C. Case No. 184 at hearing held in Santa Fe May 5, 1949.

Very truly yours

Frank B. Stahl
FRANK B. STAHL
Acting District Engineer

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. 184
ORDER NO. 326

THE APPLICATION OF KEWANEE OIL COMPANY
FOR AN ORDER GRANTING PERMISSION TO DRILL
TWO UNORTHODOX LOCATIONS DESIGNATED AS
WELLS NO. 27B, AND 28B ON ITS PEARL LEASE
LOCATED IN THE MALJAMAR FIELD OF LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This matter came on for hearing at 10:00 o'clock A.M., on May 5, 1949 at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission".

NOW, on this 31st day of May, 1949, 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 Supervisor of the United States Geological Survey interposes no objections to the application.
3. The lease covering the following described land is owned by Kewanee Oil Company:

Pearl Lease, Las Cruces Serial No. 058697, described as all of Section 25, Township 17 South, Range 32 East, N.M.P.M.; and Lots 1, 2, 3 and 4, and the E/2 W/2 of Section 30, Township 17 South, Range 33 East, N.M.P.M. in Lea County, New Mexico.

4. That one well located in the center of each 40 acre legal subdivision is not sufficient to obtain all of the recoverable oil under any 40 acre tract and that the drilling of "five spot" wells, as proposed in the Application of Kewanee Oil Company at the locations designated will be in the interest of conservation, prevent waste and enable applicant to obtain a greater ultimate recovery of oil, in that applicant would be able to recover substantial quantities of oil which would otherwise not be produced if such "five spot" locations were not drilled.

IT IS THEREFORE ORDERED by the Commission that the Application of Kewanee Oil Company for an order granting permits to drill two unorthodox "five spot" locations, described in said application, be and the same is hereby granted and approved. The numbers and locations of the wells to be drilled being as follows: -

PEARL No. 27 B: In SE/4 SE/4 of Section 25, Township 17 South, Range 32 East, N.M.P.M., to be located 1295 feet from the South line and 1245 feet from the East line of said Section 25;

PEARL No. 28 B: SW/4 SE/4 of Section 25, Township 17 South, Range 32 East, N.M.P.M. to be located 1295 feet from the South line and 2615 feet from the East line of said Section 25.

IT IS FURTHER ORDERED that production from any well hereinabove authorized shall not be produced in excess of the 40 acre allowable, as now or may be hereafter fixed by the Commission 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 locations, 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

Thomas J. Mabry
THOMAS J. MABRY, CHAIRMAN

Guy Shepard
GUY SHEPARD, MEMBER

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

184

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

April 19, 1949

Kewanee
no

Mr. George Graham, Attorney
State Land Office
State Capitol Building
Santa Fe, New Mexico

Dear George:

In accordance with the conversation which I had with you and Dick Spurrier yesterday, I am enclosing three Applications for the drilling of unorthodox locations.

One Application is for Kewanee Oil Company, for permission to drill two unorthodox locations on its Pearl Lease in the Maljamar Pool of Lea County. One Application is for Buffalo Oil Company, for permission to drill one unorthodox location on its Babh "A" Lease in the Maljamar Field of Lea County, and also for permission to plug back Well No. 15-A on the same forty-acre legal subdivision and produce that well from the Yates Sand. The other Application is for Bassett & Collier, for permission to drill an unorthodox location on their Williams Fee Estate Lease in the Dayton Pool in Eddy County.

In accordance with our conversation, if it is at all possible, I would like to have all three of these Applications set for the hearing to be held on May 5th. Therefore, if you can prepare and send out notices of these hearings for publication as soon as these Applications are received, and these notices can be published before, or not later than April 25th, then all three of these Applications may be heard at the May 5th hearing. The Kewanee and Buffalo notices should be published in Lea County and the Bassett & Collier notice should be published in Eddy County.

Tomorrow I will prepare and send you proposed Order to be entered in the American Republics Corporation unorthodox locations case heard yesterday.

Very truly yours


John E. Cochran, Jr.

JEC:rm
Encls.

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

April 19, 1949

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

Attention: Mr. R. R. Spurrier

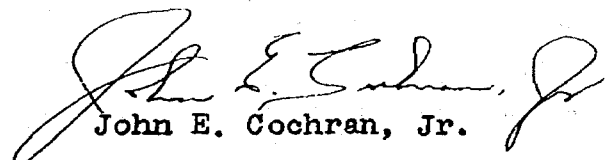
Gentlemen:

Enclosed herewith is Application, in triplicate, of Kewanee Oil Company for an order granting permission to drill two unorthodox "five spot" locations on its Pearl Lease, located in Section 25, Township 17 South, Range 32 East, N.M.P.M., in Lea County, New Mexico.

At your earliest convenience, will you please set a time for hearing this Application, and publish notice thereof, and advise me the date set for hearing on this Application.

The land upon which these locations are desired is embraced in a Federal Oil and Gas Lease 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


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 TWO UNORTHO-
DOX LOCATIONS, DESIGNATED AS WELLS
27-B AND 28-B, ON ITS PEARL LEASE,
LOCATED IN THE MALJAMAR FIELD OF 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 No. 058697, 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 twenty-six wells located upon the land hereinabove described, and that, at the present time, twenty-four of said wells are producing; that seventeen of said producing wells are located in Section 25 and seven 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, with the exception of wells 21-B, 22-B, 23-B, 24-B, 25-B and 26-B, which are "five spot" locations. 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 additional "five spot" wells on said lease, at the locations shown on 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 additional "five spot" locations.

4. That Kewanee Oil Company has heretofore made application to, and the Oil Conservation Commission of the State of New Mexico has granted it permission to drill six "five spot" locations, which said six wells have now been completed and are producing.

5. That Kewanee Oil Company desires to drill

two additional such "five spot" locations on its Pearl Lease, numbered and located as follows:

PEARL NO. 27-B: In SE/4 SE/4 of Section 25, Township 17 South, Range 32 East, N.M.P.M., to be located 1295 feet from South Line and 1245 feet from East Line of said Section 25;

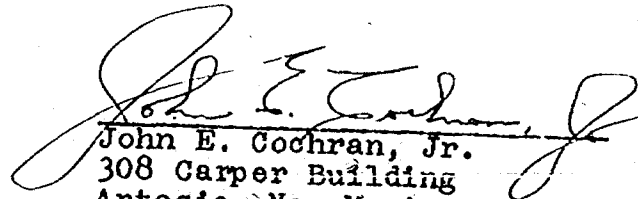
PEARL NO. 28-B: In SW/4 SE/4 of Section 25, Township 17 South, Range 32 East, N.M.P.M., to be located 1295 feet from South Line and 2615 feet from East Line of said Section 25;

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

6. That well No. 12-B, located in the SE/4 of SE/4 of Section 25, heretofore drilled to the Maljamar Pay was during the year 1948, temporarily abandoned, and therefore, wells Nos. 27-B and 28-B will constitute the only producing well on each of the forty-acre legal subdivisions upon which these two wells are located. Therefore, in the event permits are granted Applicant to drill the two above mentioned wells, upon completion of same as producing wells, Applicant asks that it be permitted to produce the daily allowable for the forty-acre unit upon which each of said wells is located, as fixed by the Oil Conservation Commission of the State of New Mexico.

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

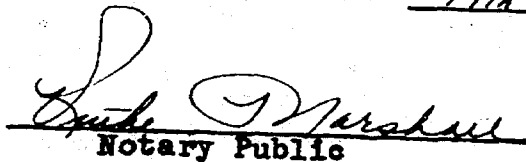
to drill these two wells, at the locations hereinabove described.


John E. Cochran, Jr.
308 Carper Building
Artesia, New Mexico
Attorney for
Kewanee Oil Company

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

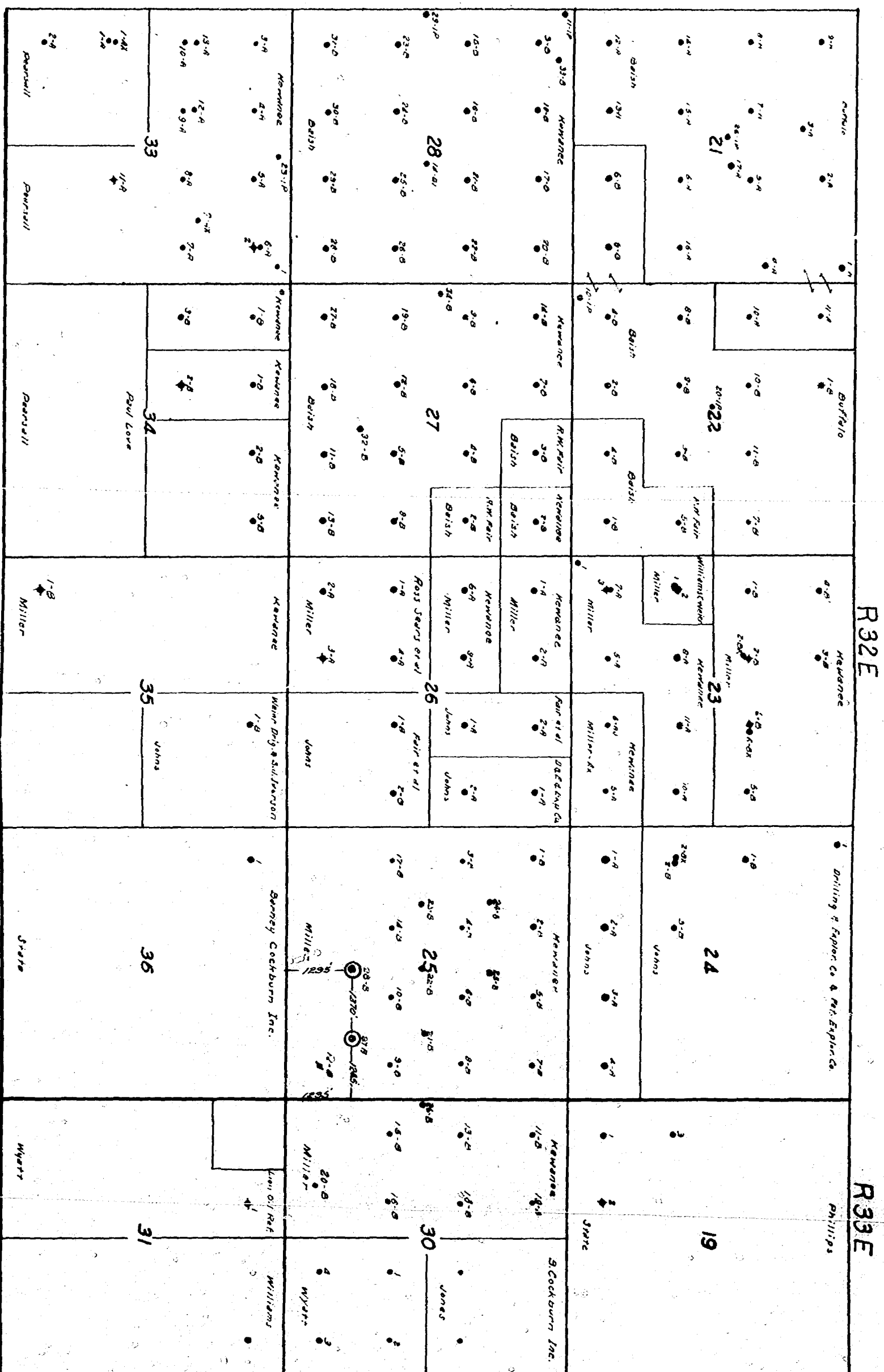
JOHN E. COCHRAN, JR., being first duly sworn upon his oath, deposes and states: That he is attorney for the Applicant in the above and foregoing Application and that he has read the same and from personal knowledge knows the matters therein contained to be true and correct, except such statements as 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.


SUBSCRIBED AND SWORN to before me this 19th
day of April, 1949.


Notary Public

My commission expires:
April 15, 1950

AREA MAP
KEMANEE OIL COMPANY LEASES
MALAMAR OIL FIELD
LEA COUNTY, NEW MEXICO



27-B located 25.5 S & 75.5 E of NW corner Sec 14, 36-14
28-B located 25.5 S & 25.5 E of NW corner Sec 14, 36-14

