

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

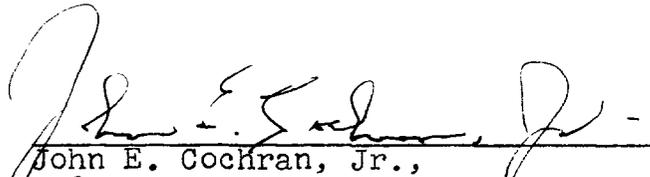
said well into the Maljamar Reservoir.

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.

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.

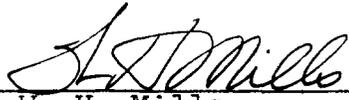
WHEREFORE, Applicant prays that it be granted permission to re-complete Pearl Well No. 22-B in the Red Sand as an unorthodox location and to continue to inject gas through said well into the Maljamar Reservoir in the manner hereinabove set forth; that the Commission set a date for hearing this Application 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

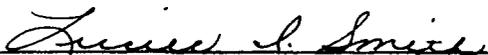
STATE OF NEW MEXICO)
) : ss.
COUNTY OF EDDY)

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.

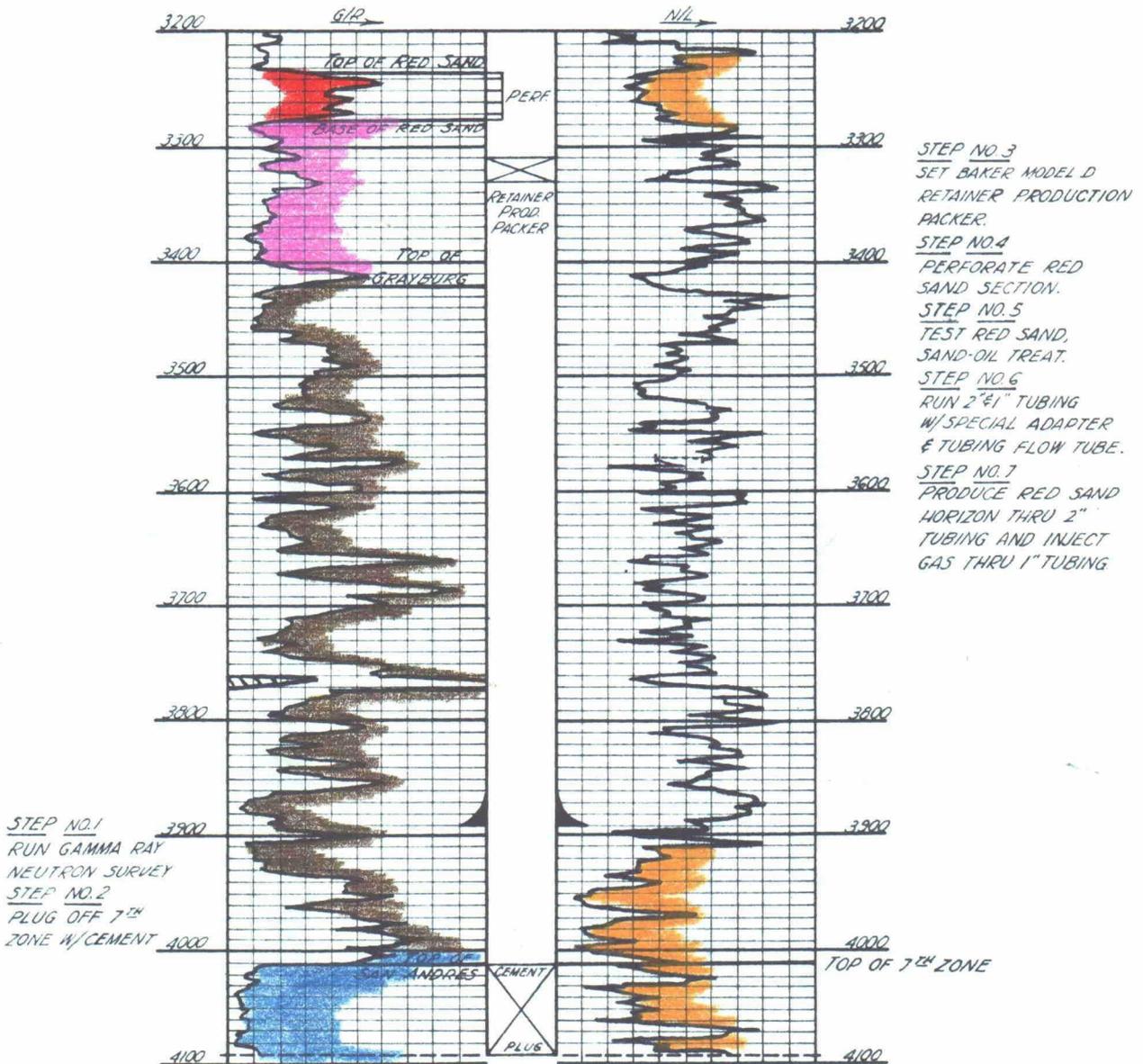


Notary Public

My commission expires:
October 1, 1956

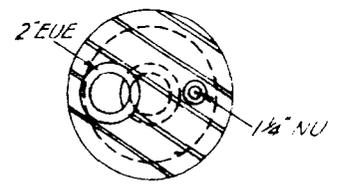
KEWANEE OIL COMPANY
 PLAN TO EFFECT DUAL COMPLETION ON
 PEARL NO. 22
 MALJAMAR FIELD - MALJAMAR, NEW MEX.

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

OIL
TUBING
7" CASING
GAS



BAKER RETAINER
PRODUCTION PACKER

BAKER PARALLEL
TUBING FLOW TUBE

GAS TO
FORMATION

CEMENT PLUG

