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 2^{2} 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.

Entered May 20, 1955

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(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

OHN F. SIMMS, Chairman

E. S. WALKER, Member

W. B. MACEY, Member and Secretary

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