

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF KEWANEE OIL COMPANY FOR ORDER GRANTING PERMISSION TO RECOMPLETE PEARL WELL NO. 25-B, IN THE SW/4 NE/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 CONVERT THE MALJAMAR PAY HORIZON IN SAID WELL INTO A GAS INJECTION WELL.

NO. 704

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 twenty-seven (27) wells to the Maljamar Pay. At the present time twenty-one (21) wells are producing from the Maljamar Pay, three (3) wells are used as input wells for returning gas to the Maljamar Reservoir, two (2) wells were abandoned as dry holes and one (1) well after producing for some time was abandoned.

3. That heretofore on May 25, 1948 in Case No. 141 the Oil Conservation Commission of New Mexico entered Order No. 770 granting Kewanee Oil Company permission to drill Pearl Well No. 25-B in the SW/4 NE/4 of Section 25,

Township 17 South, Range 32 East, N.M.P.M. located 1345 feet South of the North line and 2615 feet West of the East 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. 25-B was drilled to a total depth of 4203 feet and completed in the Maljamar Pay with an initial production of approximately 20 barrels per day. This well was completed on October 5, 1948 and since the date of its completion has been producing from the Maljamar Pay and is at the present time producing approximately 3 barrels of oil per day.

5. That a gas injection program is being carried on on the Pearl Lease at the present time and gas is being returned to the Maljamar Reservoir through wells Nos. 22-B, 24-B and 26-B, pursuant to Order No. R-146 entered by the Oil Conservation Commission in Case No. 356 on May 1st, 1952.

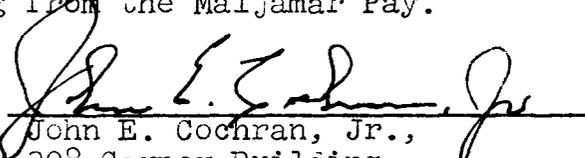
6. That at the time Pearl Well No. 25-B was drilled a commercial show of oil was found in the Red Sand section from approximately 3420 feet to 3440 feet and it is the desire of Applicant to recomplete Pearl Well No. 25-B as a producing oil well in the Red Sand and to convert the Maljamar Pay in said well to a gas injection well to supplement the present gas injection project now under way in this portion of the Maljamar Reservoir.

7. That in recompleting said Pearl Well No. 25-B as a producing oil well in the Red Sand and converting the Maljamar Pay in said well to a gas injection well, Applicant proposes to run Gamma Ray - Neutron Survey, plug off the lower 7th Maljamar zone completely, set a Baker Model "D" retainer production packer, blank off Baker Model "D" retainer produc-

tion 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 Red Sand zone through 2 inch tubing and inject gas through 1 inch macoroni string into Maljamar Reservoir with an initial volume of approximately 200,000 cubic foot per day at 1500 pounds pressure.

3. That the Pearl Lease hereinabove described is committed to the Maljamar Cooperative Repressuring Agreement and that gas for injection in Pearl Well No. 25-B will be obtained from the Maljamar Cooperative Repressuring Agreement Plant.

WHEREFORE, Applicant prays that it be granted permission to recomplete Pearl Well No. 25-B in the Red Sand as an unorthodox location and to convert the Maljamar Pay Horizon in said well into a gas injection well 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 recomplete said well in the Red Sand and convert the Maljamar Pay horizon in said well into a gas injection well, 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.


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