

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 DRILL THREE (3) UNORTHODOX
RED SAND LOCATIONS; ONE BEING BAISH WELL
NO. 37-B, IN THE SE/4 OF SECTION 27; ONE
BEING PEARSALL WELL NO. 14-A, IN THE NE/4
OF SECTION 33; AND ONE BEING PEARSALL WELL
NO. 6-BX, IN THE NE/4 OF SECTION 34, ALL IN
TOWNSHIP 17 SOUTH, RANGE 32 EAST, N.M.P.M.,
IN THE PEARSALL POOL OF LEA COUNTY, NEW
MEXICO.

NO. 705

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 the following described Federal Oil and Gas Leases, insofar as each of said leases cover the lands hereinafter described situated in Lea County, New Mexico, to-wit:

- (a) Baish "B" Lease, Las Cruces Serial No. 057210 described as S/2, NW/4, SW/4 NE/4, NE/4 NE/4 of Section 27, All of Section 28, in Township 17 South, Range 32 East, N.M.P.M. and containing 1200 acres, more or less;
- (b) Pearsall "A" Lease, Las Cruces Serial No. 059001 described as N/2 and SE/4 of Section 33, Township 17 South, Range 32 East, N.M.P.M. and containing 480 acres, more or less;
- (c) Pearsall "BX" Lease, Las Cruces Serial No. 058514 described as NE/4 of Section 34, Township 17 South, Range 32 East, N.M.P.M. and containing 160 acres, more or less.

2. That on the Baish "B" Lease hereinabove described there have been drilled a total of thirty (30) pro-

ducing wells to the Maljamar Pay; there has been drilled one (1) well which is producing from the Red Sand, seven (7) gas input wells and one (1) well to the Yates Sand which was completed as a dry hole. In addition to the above wells Baish Well No. 36-B was drilled to a depth of 10,747 feet and is now temporarily abandoned at said depth. At the present time thirty (30) wells are producing from the Maljamar Pay encountered at an approximate depth of 4200 feet and one (1) well is producing from the Red Sand encountered at an approximate depth of 3300 feet.

3. On the Pearsall "A" Lease hereinabove described there has been drilled seven (7) producing wells in the Maljamar Pay and two (2) producing wells in the Red Sand. In Addition three (3) wells on the Pearsall "A" Lease have been completed as dry holes. There has been drilled on the Pearsall "A" Lease one (1) gas input well. At the present time seven (7) wells on the Pearsall "A" Lease are producing from the Maljamar Pay and two (2) wells are producing from the Red Sand.

4. That on the Pearsall "BX" Lease described above two (2) wells have been drilled to the Maljamar Pay and one of these wells Pearsall No. 5-BX which was originally drilled to the Maljamar Pay has been plugged back and is now producing from the Red Sand.

5. That the wells hereinabove mentioned on said three (3) leases producing from the Maljamar Pay are located in what is designated as the Maljamar Pool of Lea County, New Mexico. That the wells located upon the above described leases producing from the Red Sand are located in what is designated as the Pearsall Pool.

6. That Kewanee Oil Company knows from its experience in drilling wells on said leases hereinabove described

to the Maljamar Pay that production of oil and gas can be obtained from what is designated as the Red Sand encountered at an approximate depth of 3300 feet.

7. Kewanee Oil Company desires to drill one (1) Red Sand well on each of the three above described leases to be numbered and located as follows:

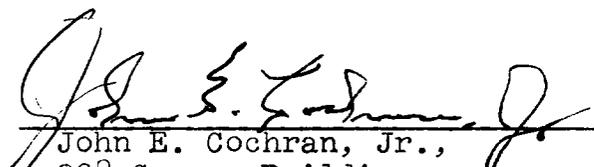
- (a) Baish Well No. 37-B; in NW/4 SE/4 of Section 27, Township 17 South, Range 32 East, N.M.P.M., to be located 1345 feet North of South line and 1345 feet West of East line of said Section 27;
- (b) Pearsall No. 14-A; in SW/4 NE/4 of Section 33, Township 17 South, Range 32 East, N.M.P.M., to be located 1345 feet South of North line and 2615 feet West of East line of said Section 33;
- (c) Pearsall No. 6-BX; in SE/4 NE/4 Section 34, Township 17 South, Range 32 East, N.M.P.M., to be located 1345 feet South of North line and 1295 feet West of East line of said Section 34;

the location of each of said wells being shown on the map attached hereto marked Exhibit "A" and by reference made a part hereof.

8. In the event permission is granted to drill the three (3) above mentioned Red Sand unorthodox locations Applicant proposes to drill these wells through the Red Sand zone found at approximately 3300 feet and then continue drilling through the regular Maljamar Pay (Grayburg-San Andres Formation) to a depth of approximately 4200 feet. Applicant proposes to diamond core the Red Sand zone and also the Maljamar Pay and set casing through the Maljamar Pay to the total depth. Upon completion Applicant plans to leave the regular Maljamar Pay cased off and set a bridging plug at the base of the Red Sand, perforate the Red Sand zone and sand-oil treat before placing the wells on production. The drilling of these three (3) wells in this manner will enable Applicant to systematically develop the Red Sand

zone and will also enable Applicant to develop regular five spot Maljamar Pay wells to be used later on as either gas or water input wells or as oil producers, whichever the case may be, to ultimately augment the present secondary recovery project now under way in the Grayburg-San Andres horizon in the Maljamar Field.

WHEREFORE, Applicant prays that it be granted permission to drill the three (3) hereinabove described Red Sand wells at the locations hereinabove set forth, in the manner above described; 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 drill said wells and that upon the completion of the same, if productive, that it be granted an allowable for each well separate from other wells located upon the same 40 acre tract which are producing from the Maljamar Pay.


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

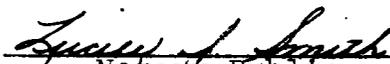
STATE OF NEW MEXICO)
 : ss.
COUNTY OF EDDY)

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 verily believes them to be true.



W. H. Mills

SUBSCRIBED AND SWORN to before me this 27th day of April, 1954.



Notary Public

My commission expires: October 1, 1956.