

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. 114

ORDER NO. 735

IN THE MATTER OF THE APPLICATION
OF KEWANEE OIL COMPANY FOR PERMIS-
SION TO DRILL A WELL ON AN UNORTHODOX
LOCATION 1,295 FEET FROM THE SOUTH
LINE AND 2,615 FEET FROM THE EAST
LINE (NW corner SW $\frac{1}{4}$ SE $\frac{1}{4}$) SECTION 27,
TOWNSHIP 17 SOUTH, RANGE 32 EAST,
N.M.P.M. IN THE MALJAMAR POOL, LEA
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This matter came on regularly for hearing at 10:00 o'clock A.M., on November 25, 1947, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico hereinafter referred to as the "Commission."

NOW, on this 25th day of November, 1947, the Commission having before it for consideration the testimony adduced at the hearing of said cause and being fully advised in the premises:

1. That due public notice having been given, the Commission has jurisdiction of the subject matter hereof.
2. That the petitioner is the owner of an oil and gas lease located on United States Government leased lands designated as Las Cruces Lease 057210, and which lease includes with other lands, the SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 27, Township 17 South, Range 32 East, Lea County, New Mexico;
3. That petitioner's only well located in the center of the above described tract of land is a gas injection well used for injection service for the Maljamar Cooperative Repressuring Agreement, said well being designated as Kewanee's Baish "B" 11 I.P.
4. That while the land described in the caption of petitioner's application, refers to Township 21 South, but the body instruments, and attached exhibits correctly refer to and describe the Township as 17 South, Range 32 East and the fixation of the location as being in the Maljamar Pool is deemed sufficient for the purpose of this order in absence of objection.
5. That further, under the terms of the aforesaid Maljamar Cooperative Repressuring Agreement, operators of leases on tracts of lands upon which gas injection wells are located such as Kewanee's Baish "B" 11 I.P. are entitled to a compensating well for the production of oil and gas;
6. That no other lease operators are effected by the unorthodox well location under consideration as the petitioner is the owner of all 40-acre units adjoining and surrounding the above described tract of land.
7. That to procure the greatest ultimate recovery from the 40-acre tract under consideration herein, it is necessary that the compensating well on the above described tract be drilled on the unorthodox location.

IT IS THEREFORE ORDERED that Kewanee Oil Company, petitioner herein is granted an unorthodox location for a compensating well for the production of oil and gas to be located in the Northwest corner of the SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 27,

Township 17 South, Range 32 East, N.M.P.M. in the Maljamar Pool, Lea County, New Mexico, and more particularly described by footage as 1,295 feet from the south line and 2,615 feet from the east line of said Section 27.

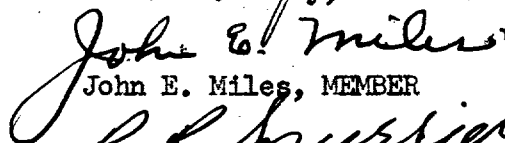
IT IS THE FURTHER ORDER OF THE COMMISSION that in the event said well is a producer that the production therefrom shall not exceed the unit allowable now or which hereafter may be fixed by the Commission for the Maljamar Pool.

DONE at Santa Fe, New Mexico on the day and year hereinbefore designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



Thomas J. Mabry, CHAIRMAN



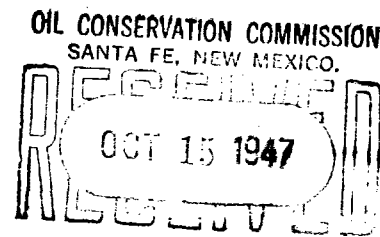
John E. Miles, MEMBER



R. R. Spurrier, SECRETARY

KEWANEE OIL COMPANY

1004-14 KENNEDY BUILDING



J. B. STEELE,
SUPERINTENDENT.

TULSA 1, OKLAHOMA, October 13, 1947

State of New Mexico
Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Attention: Mr. R. R. Spurrier

Gentlemen:

There is enclosed herewith, in triplicate, application of Kewanee Oil Company for permission to drill its Baish "B" well #32 on an unorthodox location in the NWC SW $\frac{1}{4}$ SE $\frac{1}{4}$, Section 27-21S-32E, Lea County, New Mexico.

It would be appreciated if you would wire us, collect, the date this matter will be set for hearing.

Further, it would be appreciated if you would advise us if the Conservation Commission has passed on a similar situation, or, if there is no previous precedent, please advise whether the Commission has made any expression as to unorthodox well locations where a gas injection project is involved, as is the situation in connection with our application.

Yours very truly,

E. H. Hastings
E. H. Hastings, Attorney

EHH:OM

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF KEWANEE OIL
COMPANY FOR PERMISSION TO DRILL WELL BAISH "B"
NO. 32 ON AN UNORTHODOX LOCATION IN THE NW CORNER
SW/4 SE/4, SECTION 27, TOWNSHIP 21 SOUTH, RANGE 32
EAST, LEA COUNTY, NEW MEXICO.

CASE NO. _____

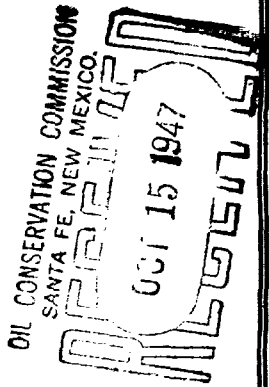
A P P L I C A T I O N

Comes now Kewanee Oil Company, a Delaware Corporation, duly licensed to transact business in the State of New Mexico, and would respectfully show to the Commission:

1. That it is engaged in the oil producing business and owns and operates producing oil and gas leases in the State of New Mexico, among which are its lease properties in what is known as the Maljamar Oil Field of Lea County, New Mexico, including a lease on the tract of land on which it desires to drill its Baish "B" well #32, in the NWC of SW/4 SE/4, Section 27-21S-32E, Lea County, New Mexico, the exact location of which is shown on a surveyors plat attached hereto as "Exhibit A".

2. Applicant herein states that in connection with the operation of its lease properties in the aforesaid oil field on the 23rd day of April, 1945, it entered into an agreement and program with other operators of the Maljamar Oil Field for the purpose of a cooperative gas injection project. That under the agreement known as the Maljamar Cooperative Repressuring Agreement, and supplements thereto, its original Baish "B" well #11, now designated #2 I.P. (located in the center of a 40-acre unit subdivision, and being the SW/4 SE/4 of Section 27) was designated, has been and is now being used for gas injection service. That further, under the terms of the aforesaid Maljamar Cooperative Repressuring Agreement, it was agreed that owners and operators of tracts of land upon which gas injection wells were located, such as Kewanee's Baish "B" well #11, now #2 I.P. well, should have the right to drill an additional compensating well for oil and gas in the 40-acre unit if permission to do so could be obtained so that such operators could have a producing well on each 40-acre legal subdivision, in addition to the well being used as a gas injection well.

3. Applicant states that because of its use of its original Baish



"B" well #11, now I.P. #2, located in the center of the said 40-acre subdivision, as a gas input well, it is necessary that its compensating well, the proposed Baish "B" well #32 be drilled on the unorthodox location as shown by the surveyors plat attached hereto as "Exhibit A".

4. Applicant further states that approval has been obtained from the United States Geological Survey, Department of Interior, for the drilling of the proposed Baish "B" well #32, subject to approval of the unorthodox well location by the New Mexico Oil Conservation Commission. Applicant further states, for the information of the Conservation Commission, that the proposed well is to be located on United States Government leased land which the United States Department of Interior, Geological Survey, has designated as Las Cruces Lease 057210; that the said well is to be located 1295' from the south line and 2615' from the east line of Section 27, in the SE/4 of Section 27-17S-32E, Maljamar Field, Lea County, New Mexico; elevation above sea level 3935.5'; and that in connection with details of work, the well is to be drilled from surface to pay horizon at approximately 4050' with cable tools. That the 8 $\frac{1}{4}$ " casing will be set at approximately 1025' and cemented with 50 sacks, and 7" O.D. casing will be set in the line at approximately 3700' and cemented with 200 sacks of cement.

5. Applicant further states that no other lease operators are affected by the unorthodox location which fact is reflected by the plat covering the Maljamar Cooperative Repressuring Area attached hereto as "Exhibit B".

WHEREFORE, applicant prays that the Commission sets a date for a hearing on this application and upon hearing hereon, if proper showing is made, enter its order approving the drilling of the proposed well No. 32 Baish "B", on the unorthodox location as aforesaid.

Respectfully submitted,

KEWANEE OIL COMPANY

By J. B. Steele
Superintendent

STATE OF OKLAHOMA)
COUNTY OF TULSA) ss.

I, J. B. STEELE, being first duly sworn upon oath, state: I am Superintendent of Kewanee Oil Company, a corporation; and I have read and understand the contents of the foregoing application and the facts therein alleged are true and correct.

SUBSCRIBED AND SWORN TO before me this 10 day of October, A.D. 1947.

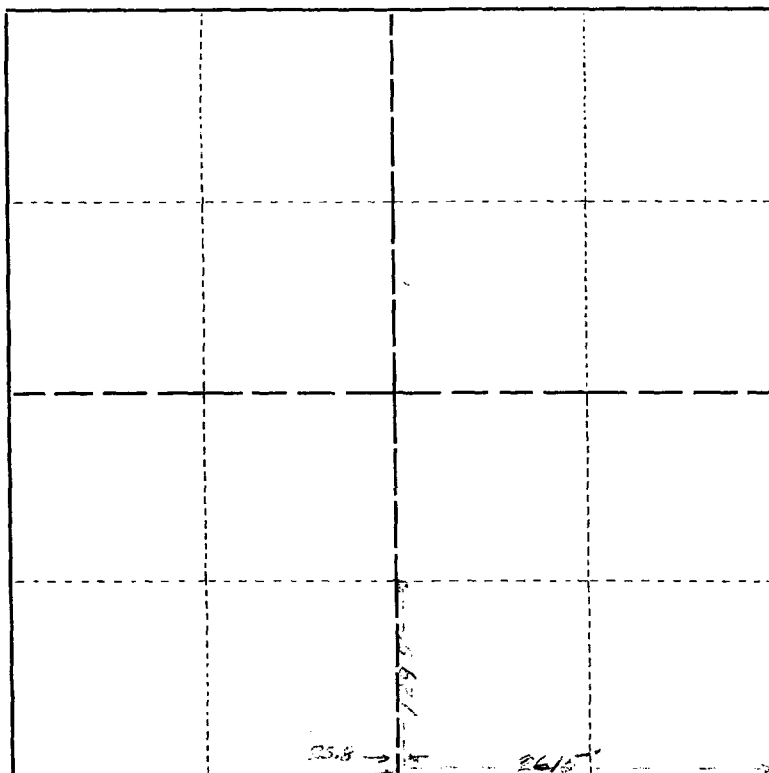
My commission expires:

Dec. 15, 1948

A. B. Johnson
Notary Public

Kewanee Oil Co.

Company BAISH B-32
 Lease 27 17 32 Well No. _____
 Sec. 1295 fr. S.L. & S., R. 2615 fr. E.L. E., N.M.P.M.
 Location Lea
 Course (chain distances) New Mexico



Scale 4" = 1 mile.

This is to certify that the above plat was prepared from field notes of actual surveys made by me or under my supervision and that the same are true and correct to the best of my knowledge and belief.

Seal:

Artesia, New Mexico

Sept. 26

Registered Professional
 Engineer and Land Surveyor.

47

Surveyed _____, 19____

Elevation 3935.5 ft

"Exhibit A"