

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. 1072
Order No. R-841

APPLICATION OF KEWANEE OIL COMPANY
FOR AN ORDER GRANTING PERMISSION TO
INJECT WATER INTO ITS PEARL WELL NO.
26 IN THE NW/4 SW/4 OF SECTION 30,
TOWNSHIP 17 SOUTH, RANGE 33 EAST,
MALJAMAR POOL, LEA COUNTY, NEW MEXICO,
FOR THE PURPOSE OF SECONDARY RECOVERY
AND FURTHER FOR PERMISSION TO DISCONTINUE
THE INJECTION OF GAS HERETOFORE AUTHORIZED
FOR SAID WELL.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on June 20, 1956, at Hobbs, New Mexico, before Daniel S. Nutter, Examiner duly appointed by the Oil Conservation Commission of New Mexico in accordance with Rule 1214 of the Rules and Regulations of the New Mexico Oil Conservation Commission.

NOW, on this 9th day of July 1956, the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," a quorum being present, having considered said application and the recommendations of the Examiner, Daniel S. Nutter, and being fully advised in the premises,

FINDS:

- (1) That notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That the oil and gas lease involved in the application is Federally owned, and the Supervisor of the United States Geological Survey has interposed no objection to the application.
- (3) That Kewanee Oil Company is the owner and holder of a federal oil and gas lease and said lease covers the following described land in Lea County, New Mexico, to-wit:

All Sec. 25, Twp. 17 South, Range 32 East;
Lots 1, 2, 3, and 4, and the E/2 W/2 Sec. 30,
Twp. 17 South, Range 33 East, containing
968.56 acres, more or less.

which said lease is designated as Kewanee Oil Company's "Pearl" Lease.

(4) That applicant received authority for an unorthodox location for its Pearl Lease Well No. 26 by Order 770 on May 25, 1948, and that said well is located 2615 feet from the South line and 25 feet from the West line of Section 30, Township 17 South, Range 33 East, NMPM, Lea County, New Mexico. Further, that applicant received authority to inject gas into said well and into two other wells on said Pearl lease by Commission Order R-146, dated May 1, 1952, for the purpose of secondary recovery from the adjoining wells on said Pearl Lease, with the provision that no allowables from the aforesaid three gas injection wells would be transferred to the other wells on said Pearl Lease.

(5) That recent engineering studies have indicated that greater secondary recovery of oil can be accomplished by the initiation of a pilot water flood operation on the aforesaid Pearl Lease.

(6) That applicant has shown that to discontinue the injection of gas into its Pearl Well No. 26 and to convert said well to a water injection well will result in greater secondary recovery of oil.

(7) That said conversion of applicant's Pearl Well No. 26 to a water injection well is in the best interests of conservation and the prevention of waste.

IT IS THEREFORE ORDERED:

That the application of Kewanee Oil Company to discontinue the injection of gas into its Pearl Well No. 26, located 2615 feet from the South line and 25 feet from the West line of Section 30, Township 17 South, Range 33 East, NMPM, Lea County, New Mexico, and to convert said well to a water injection well be and the same is hereby approved.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

JOHN F. SIMMS, Chairman

E. S. WALKER, Member

A. L. PORTER, Jr., Member & Secretary

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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
HEARING:

CASE NO. 80

ORDER NO. 658

THE PETITION OF OPERATORS' COMMITTEE UNDER
SILJAMAR COOPERATIVE REPRESSURING AGREEMENT
FOR AMENDMENT TO ORDER NO. 485, AS AMENDED
BY ORDER NO. 595 OF THE COMMISSION, TO
PROVIDE FOR THE RUNNING OF BACK ALLOWABLE
FROM THE SILJAMAR COOPERATIVE REPRESSURING AREA.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at Santa Fe, New Mexico, at ten o'clock
A.M., June 7, 1946, before the Oil Conservation Commission of New Mexico,
hereinafter referred to as the "Commission".

NOW, on this 7th day of June, 1946, the Commission having before it
for consideration the testimony adduced at the hearing of said case and being
fully advised in the premises;

IT IS THEREFORE ORDERED THAT:

SECTION 1. Order 485 as amended by Order 595 is hereby further amended
by the addition of a new section as follows:

"IX". Back allowable shall be permitted beginning with December 1,
1945, but shall not exceed the maximum daily rate of back allowable currently
prescribed by the Commission. Said nomination shall show back allowable in
total barrels separately from the current allowable. A separate or additional
column shall be provided in said schedule showing the number of barrels daily
of back allowable for each proration unit in order to distinguish back
allowable from current allowable shown in said schedule as computed by said
formula".

SECTION 2. The order herein shall become effective July 1, 1946.

Done at Santa Fe, New Mexico, as of the day and year hereinabove
designated.

OIL CONSERVATION COMMISSION

John J. Dempsey, Chairman

John E. Miles, Member

R. R. Spurrier, Secretary

(OFFICIAL SEAL)

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June 28, 1946

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. 36
ORDER NO. 305

THE PETITION OF THE OPERATORS' COMMITTEE
UNDER MALJAMAR COOPERATIVE REPRESSURING
AGREEMENT, WITH REGARD TO A CERTAIN AREA
WITHIN THE MALJAMAR FIELD, LEA COUNTY, FOR
AN ORDER APPROVING THE FOLLOWING, AND SUCH
OTHER MATTERS AND THINGS INCIDENT THERETO
AS MAY BE REQUIRED BY LAW TO BE APPROVED
BY THE OIL CONSERVATION COMMISSION:
UNITIZATION OF GAS, SELECTION OF KEY OR
IN-PUT WELLS, MANNER OF COMPUTATION AND
COMPENSATION FOR LOSS TO PRORATION UNITS
UPON WHICH ARE LOCATED KEY OR IN-PUT WELLS,
AND THE PROHIBITION OF A TOP ALLOWABLE
EXCEEDING 44 BARRELS PER PRORATION UNIT
PER DAY.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at two o'clock P.M., October 29, 1942, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, herein after referred to as the "Commission".

NOW, on this 14th day of November, 1942, the Commission having been fully advised in the premises, the Commission finds:

FINDINGS

1. That on August 5, 1941, an agreement was made and entered into by and between the parties signatory thereto, an original of which agreement is filed in this case as exhibit A; said agreement having as its general objects and purpose, the following:

(a) The erection and maintenance of a repressuring plant and system, for the purpose of using the natural gas produced from the area subject to the agreement for pressure maintenance, so as to secure the greatest ultimate recovery of oil and gas from such area.

(b) For the erection and maintenance of a natural gasoline plant to be operated in connection with the repressuring plant and system hereinabove referred to.

(c) For the purpose of conducting operations in the area subject to the agreement in such a manner as to provide for the most economical and efficient recovery of oil and gas to the end that the maximum ultimate recovery may be obtained without waste.

2. That said agreement provides for a cooperative area, hereinafter referred to as the cooperative area, and within the boundaries of the cooperative area a somewhat lesser area that is actually committed to said agreement, which lesser area is hereinafter referred to as the committed area. Both of said areas are more particularly described in Section II of the Order herein.

II E G I R I E

All of the lands within the committed area are under oil and gas lease. All of the leases within the committed area, except the lease covering the E $\frac{1}{2}$ Sec. 16, T. 17S., R. 32E., are issued by the United States under and pursuant to the Act of Congress approved February 25, 1920. The lease covering the said E $\frac{1}{2}$ Sec. 16 was issued by the State of New Mexico, acting by and through its Commissioner of Public Lands. All of said lands being in the area commonly referred to and known as the Maljamar Oil & Gas Field.

It is contemplated by said agreement that other lands within the cooperative area may be committed to said agreement which adjoin the lands which are already committed, with the consent of the parties to said agreement, and where such lands will be benefited by the pressure maintenance operations.

3. That it is the purpose and intention of said agreement to operate the properties subject thereto, in so far as the oil produced is concerned in the same manner as they were operated prior to entering into said agreement; that is to say, each of the respective owners are to operate their properties individually and the oil is to belong to the lease from which produced, and each operator is to market his or its own oil.

In so far as the natural gas produced from the properties subject to the agreement is concerned, all of such gas except the amount used for development purposes or unavoidably lost is to be delivered to the repressuring plant, and after the extraction of the natural gasoline is to be returned to the formation from which oil is being produced in said field.

4. That said repressuring agreement provides for the selection by the parties thereto of a Committee to be known as "The Operators' Committee" for the purpose of carrying out the objects and purposes of the agreement, and for the purpose of operating and maintaining the repressuring plant and system and gasoline plant. That the following representatives of the parties to said agreement have been elected to constitute the Operators' Committee, namely, Barry Cooper, Artesia, New Mexico, representing Carper Drilling Company; M.H. Smith, Artesia, New Mexico, representing Maljamar Oil & Gas Corporation; J.B. Steele, representing the Loupree Oil Company, the latter having acquired its interest from Barry Cooper after the execution of the repressuring agreement; Barney Goodrich, Lubbock, Texas, representing himself, the Fair Oil Company and Johnny Goodrich; and E.C. Woods.

5. That the Operators' Committee has selected, subject to the approval of the Commission, thirteen in-put wells which have been selected after careful study by engineers, with the view of being the most effective and properly located as to be of the greatest benefit in maintaining the pressure of the field in the repressuring operations. Said wells are shown on the map of the Maljamar Oil Field filed in this Case as exhibit B, and are more particularly described in Section 7 of the Order herein.

In addition to the said in-put wells, there is contemplated the selection of other in-put wells within the now committed area and in other areas within the cooperative area as the committed area is extended, as may be necessary for the fuller attainment of the objects and purposes stated in Section 1 of the findings herein.

That such in-put wells as may be necessary to be selected from time to time should be submitted by the Operators' Committee to the Commission for approval administratively without the calling of a formal hearing therefor.

6. That sixty percent of the allowable to the production units upon which are situated the in-put wells should be allocated to the production units within the committed area capable of producing such additional oil without waste.

7. That the proration units within the committed area should not exceed the production of 44 barrels of oil daily if the current allowable in the future exceeds said amount; subject, however, to the proviso set out in Section VII of the order herein. Such petition should be considered by the Commission administratively without further notice and formal hearing.

IT IS THEREFORE ORDERED:

I. That this project shall hereafter be known as the Maljamar Cooperative Repressuring Agreement.

II. That the cooperative area referred to in Section 2 of the findings herein consists of the following tracts: Sections 14 to 23 inclusive, and Sections 26 to 35, inclusive, in Twp. 17S. Rge. 32E., N.M.P.M., Lea County, New Mexico.

The committed area referred to in Section 2 of the findings herein is described as follows:

The E₁ Sec. 14; E₁ Sec. 16; all Sec. 17, 18, 19, 20, 21, 22, 27, 28, 29 and 30.
The N₂, N₂SE₄, NE₄SW₄, S₄SW₄ Sec. 23;
S₁NW₄, S₄ Sec. 26; N₂, W₂SE₄, Sec. 31;
N₂, S₄ Sec. 33; NE₄, W₁NW₄ Sec. 34; W₂ Sec. 35, all in Twp. 17S. Rge. 32E., N.M.P.M..

As the committed area within the boundaries of the cooperative area is enlarged as in Section 2 of the findings herein, the Operators' Committee shall notify the Commission promptly in writing as to such enlarged committed area named subject to the approval of the Commission administratively without further notice and formal hearing; provided, however, that any extension of the cooperative area and of the committed area beyond the limits of the cooperative area as set out in Section II of the order herein shall be upon formal petition, notice and hearing as provided by law.

III. There shall be no unitization of oil but the gas shall be utilized in the manner set out in Section 3 of the findings herein.

IV. That the management of said project shall be by the Operators' Committee as set out in Section 4 of the findings herein. Any change of membership of said Operators' Committee should be transmitted promptly in writing to the Commission.

V. That the in-put wells referred to in Section 5 of the findings herein are hereby authorized for use as such and are more particularly described as follows:

Maljamar Oil & Gas Corp.	Wm. Mitchell	B-12	SW ₄ Sec. 19	17S-32E.
"	"	"	B-4	SW ₄ Sec. 20
"	"	"	A-8	SW ₄ Sec. 20
"	"	"	A-8	S ₄ SW ₄ Sec. 21
"	"	"	A-1	NE ₄ NE ₄ Sec. 21
"	"	"	B-6	SW ₄ SE ₄ Sec. 21
Carper Drilling Company	Simon	A-N	S ₄ NW ₄ Sec. 29	"
"	Simon	B-12	SW ₄ SE ₄ Sec. 29	"
Kewanee Oil Company	"	B-15	SW ₄ NE ₄ Sec. 28	"
"	"	B-29	SW ₄ SE ₄ Sec. 28	"
"	"	B-9	S ₄ NW ₄ Sec. 27	"
"	"	B-11	S ₄ SW ₄ Sec. 27	"
Barney Cockburn	Miller	A-6	S ₄ SW ₄ Sec. 26	"

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The selection of other in-put wells within the area committed and for the further area to be committed within the cooperative area described in Section II of the order herein shall be submitted to the Commission for its consideration of approval administratively without further notice and formal hearing thereupon.

VI. That said 13 in-put wells described in Section V of the order herein are hereby assigned the top allowable for one year beginning with the effective date of this order. Thereafter, said input wells if further used as such shall have such allowable for such period of time as determined by the Commission administratively; likewise, other in-put wells authorized to be selected as provided in Section V of the order herein shall have such allowable for such period of time as field tests to the Commission may deem advisable.

Sixty percent of the allocated lost by in-put wells shall be redistributed to all the other top allowable production units within the committed area by dividing the above mentioned amount lost through the use of the in-put wells by the number of top allowable producing wells in the committed area and the amount so determined would be added to the regular top allowable for each well. If the operators subject to said agreement do not desire to produce such excess allowable during any month the Operators' Committee would in that event notify the Commission before the allowable for such month is fixed and not later than the 25th day of the month preceding.

VII. That the production units within the committed area shall not exceed the production of 44 barrels of oil daily should the current allowable in the future exceed that amount; subject, however, to the right of the Operators' Committee to petition the Commission administratively, by the 25th day of the month before the fixing of any monthly allowable, to change or modify such maximum allowable for the committed area.

VIII. That this order shall become effective on the 1st day of the production month next succeeding the month in which said Order is adopted.

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

OIL CONSERVATION COMMISSION

(Sgd.) JOHN L. WILK, Chairman

W. H. GORDON, Member

JOHN L. WILK, Secretary

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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:

THE PETITION OF THE OPERATORS' COMMITTEE
UNDER MALJAMAR COOPERATIVE REPRESSURING
AGREEMENT FOR A CHANGE IN METHOD OF
ALLOCATION OF OIL PRODUCTION AND GAS
CONTROL FOR THE COMMITTED AREA WITHIN
THE MALJAMAR COOPERATIVE REPRESSURING AREA

CASE NO. 56

ORDER 595

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at ten o'clock A.M., January 8, 1945, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission".

NOW, on this 28th. day of March, 1945, the Commission having before it for consideration the testimony adduced at the hearing of said case and being fully advised in the premises;

IT IS THEREFORE ORDERED:

SECTION 1. That VI of Order 485 be and is hereby amended to read as follows:

VI. (a) That the allocation to the committed area and the re-allocation to the respective proration units therein shall be made upon the following plan:

(b) The Operators' Committee shall submit monthly to the Commission for approval the nomination in total barrels daily and schedule of re-allocation to the respective proration units.

(c) In no event shall any proration unit producing from horizons other than the Grayburg or San Andres formations be prorated under this plan of allocation other than they shall not produce at a rate in excess of State top allowable.

(d) Each proration unit shall be assigned an acreage allowable in whatsoever amount production test shows that it is capable of making up to but not exceeding 15 barrels daily.

(e) Each proration unit capable of producing the acreage allowable but incapable of producing the additional allowable through the application of the void space factor hereinafter provided shall be permitted to produce that volume of oil as shown on its production test,

(f) All proration units capable of producing said acreage allowable plus the additional allowable through the application of the void space factor shall be assigned a proportionate part of the remaining designated allowable; such proportionate part to be determined on the ratio that the void space created by each individual proration unit bears to the total void space created by all proration units, or in strict accordance with the following formula:

Unit Void Space

void

space

Total Unit Void Space

allowable

Number of bbl's.

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(g) A proration unit upon which is located a newly completed or reconditioned well shall be assigned an allowable up to and including 30 barrels daily insofar as it is capable of producing such amount; that allowable being derived from the average void space created by all producing wells in the committed area. Such allowable to prevail only for those allocation periods in accordance with Proration Schedule Order No. 235 and until well can be properly tested and its allowable rate determined.

(h) Said nomination and schedule shall be submitted to the Commission and a duplicate shall be supplied to the Proration Office not later than the 20th day of each month preceding the next proration month.

SECTION 2. That VII of Order 485 be and is hereby amended to read as follows:

VII. Tests necessary in connection with the foregoing plan shall be those designated by the Commission, made by such methods and means, in such manner, and at such periods as the Commission in its discretion may prescribe from time to time.

SECTION 3. That VIII of Order 485 be and is hereby amended to read as follows:

VIII. That the order herein shall be inapplicable to any non-committed proration units within the cooperative area; such non-committed units shall receive their respective allocations in accordance with the State-Wide Proration Order and field gas-oil ratio limitation.

That this order shall be effective on execution and applicable to the Commission's Proration Schedule beginning with the next proration month.

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

OIL CONSERVATION COMMISSION

(SGD) JOHN J. DEMPSEY, CHAIRMAN

JOHN E. MILES, MEMBER

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