Casa Mo.

160

Application, Transcript, Small Exhibits, Etc.

LEGAL NOTICES

Gel 15, 1948
NOTICE OF PUBLICATION
STATE OF NEW MEXICO
OIL CONSERVATION

COMMERCYATION
COMMERCE
The State of Note Mexico by its
Oil Conservation Commission hereby gives notice, nursuant to law,
of the following public hearing to
be held October 28, 1946, beginning at 10:00 o'clock: A. M. on
that day in the City of Santa Fe,
New Mexico,
STATE OF NEW MEXICO
TO:

TO: All named parties in the folwing cases, and notice to

atter of application of Petroleum Company, Bis Oklahoma for ex-Grant Ma. 72, offer-gent 1, 1987, amending to 52 and for an order

PATE OF NEW MEXICO R. R. SPURRER

NOTICE OF PUBLICATION

State of New Mexico, Oil Conservation Commission The State of New Mexico, by its Oil: Conservation Commission, pursuant to the law, hereby gives notice of the following public hearing to be held on October 28, 1948, beginning at 10:00 o'clock a.m.: on that day, in the City of Santa Fe New Mexico, STATE OF NEW MEXICO, TO

ALL MAIN PARTIES IN THE FOLLOWING CASES AND NOTICE TO THE PUBLIC;

Case163, in the Matter of the Petition of Stanolind Oil and Gas Co. for the adoption of regulations establishing 640 acre spacing in he Blanco field in San Juan County. New Mexico; establishing the location of the initial well on each 640 acres; fixing regulations as to the setting of pipe; and for backpressure tests of the various strata;

Case 165, in the Matter of Applieation of Jenkins and McQueen for Order granting permission to drill unorthodox location designated as Well No. 1 on the Cassidy Local described as NW)-4 NE1-4 SE1-4 of (2970 feet south of the north line and 990 feet west of the east line) Sec. 19, Twp. 29N, Range il W. N. M. P. M., in the Kutz Canyon-Fulcher Basin Field of San Juan County, New Mexico.

Given under the seal of the Oil Conservation Commission of New Mexico at Santa Fe, New Mexico, on Oct. 13, 1948.

State of New Mexico Oil Conservation Commission by R. R. Spurrier, Secretary

Published in Astec Independent-Review Oct. 15, 1948.

MOTICE OF PUBLICATION STATE OF NEW NEXTCO OIL CONSERVATION CONHISSION

The State of New Mexico by its Oil Conservation Commission hereby gives notice, pursuant to law, of the following public hearing to be held October 28, 1948, beginning at 10:00 c'clock A.M. on that day in the City of Santa Fe, New Mexico, in the House of Representatives.

CASE 159 -

In the matter of the application of Magnolia Petroleum Company, a Corporation for approval of a proposed unit agreement for the development and operation of the Lindrith Unit Area described as follows: Covering 28,459.39 acres situated in townships 24 and 25 North, Ranges 2 and 3 West, N.M.P.M., Rio Arriba County, New Mexico.

CASE 160

In the matter of application of Phillips Petroleum Company, Bartlesville, Oklahoma for exception to Order No. 72, effective August 1, 1937, amending Order No. 52 and for an order authorizing a central tank battery for certain leases in Section 32, Township 12 South, Range 32 East, Lea County, New Mexico.

CASE 161

In the matter of application of Magnolia Petroleum Company for an order approving a proposed unit agreement for the development and operation of the Cass Ranch Unit Area consisting of 10,230.27 acres situated in Townships 19 and 20 South, Ranges 23 and 24 East, N.M.P.M. in Eddy County, New Mexico.

CASE 162

In the matter of the application of the New Mexico Oil Conservation Commission upon its motion at the suggestion of the Lea County Operators Committee that Paragraph "G" of Section 2 of Commission Order 637 known as the State Wide Proration Order be amended so as to read as follows:

(g) At the beginning of each calendar month, the distribution or proration to the respective units in each pool shall be changed in order to take into account all new wells which have been completed and were not in the proration schedule during the previous calendar month. Where any well is completed between the first and last day of the calendar month, its unit shall be assigned an allowable in accordance with whether such unit is marginal or non-marginal, beginning at 7 A.M., on the date of completion and for the remainder of that calendar month.

CASE 163

In the matter of the petition of Stanolind Oil and Gas Company for the adoption of regulations establishing the 640 acre spacing in the Blanco Field in San Juan County, New Mexico; establishing the location of the initial well on each 640; fixing regulations as to the setting of pipe; and for back pressure tests of the various stratas.

CASE 164

In the matter of the application of Grayburg Oil Company of New Mexico, and Western Production Company, Inc. for an order granting permission to unitize certain tracts within the boundaries of the Grayburg Cooperative and Unit Area, in Township 17 South, Ranges 29 and 30 East, N.M.P.M., in the Grayburg-Jackson Pool of Eddy County, New Mexico for proration and allowable purposes.

CASE 165

In the matter of application of Jenkins and McQueen for order granting permission to drill unorthodox location designated as Well No. 1 on their Cassidy lease, described as NW/4 NE/4 SE/4 (2970 feet south of the north line and 990 feet west of the east line) section 19, T.29N, R.llW, N.M.P.M., in the Kutz Canyon-Fulcher Basin Field of San Juan County, New Mexico.

Given under the seal of the Oil Conservation Commission of New Mexico at Santa Fe, New Mexico on October 13, 1948.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

By A. A. Spiller Ed. Secretary

OIL CONSERVATION COMMISSION SANTA FE, NEW MEXICO

13 October 1948

The Sun News Hobbs, New Mexico

RE: Cases 160, 162 - Notice of Publication

Centlemen:

Please publish the enclosed notice once, immediately. Please proof-read the notice carefully and send a copy of the paper carrying such notice.

UPON COMPLETION OF THE PUBLICATION, PLEASE SEND PUBLISHER'S APPIDAVIT IN DUPLICATE.

For payment please submit statement in duplicate, accompanied by woucher executed in duplicate. The necessary blanks are enclosed.

Very truly yours,

RRS:bep

cc: Roy O. Yarbrough

NOTICE OF PUBLICATION STATE OF MED NEVICO OIL CONSURVATION SCHOOLSICH

The State of New Mexico by its Cil Conservation Coumission hereby fives notice, pursuant to law, of the following public hearing to be held Cotober 28, 1948, beginning at 10:00 o'clock A.M. on that day in the City of Santa Fe, New Mexico.

STATE OF NEW MUXICO TO:

All named parties in the following cases, and notice to the public:

CASE 160

In the matter of application of Fhillips Petroleum. Company, Bartlesville, Oklahoma for exception to Order No. 72, effective August 1, 1937, amending Order No. 52 and for an order authorizing a central tank battery for certain leases in Section 32, Township 12 South, Range 32 East, Lea County, New Mexico.

CASE 162

In the matter of the application of the New Mexico Oil Conservation Commission upon its own motion at the suggestion of the Lea County Operators Committee that Paragraph "C" of Section 2 of Commission Order 637 known as the State Wide Proration Order be amended so as to read as follows:

(g) At the beginning of each calendar month, the distribution or proration to the respective units in each pool shall be changed in order to take into account all new wells which have been completed and were not in the proration schedule during the previous calendar month. Where any well is completed between the first and last day of the calendar month, its unit shall be assigned an allowable in accordance with whether such unit is marginal or non-marginal, beginning at 7 A.M., on the date of completion and for the remainder of that calendar month.

Given under the seal of the Oil Conservation Commission of New Mexico at Santa Fe, New Mexico, on October 13, 1943.

STATE OF NEW MEXICO OIL CONSERVATION COMPISSION

By R. R. SPURRLER, Secretary

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. 160

ORDER NO. 795

THE APPLICATION OF PHILLIPS PETROLEUM COMPANY, BARTLESVILLE, OKLAHOMA, FOR AN EXCEPTION TO ORDER NO. 72, EFFECTIVE AUGUST 1, 1937, AMENDING ORDER NO. 52 AND FOR AN ORDER AUTHORIZING A CENTRAL TANK BATTERY FOR CERTAIN LEASES IN SECTION 32, TOWNSHIP 12 SOUTH, RANGE 32 EAST, LEA COUNTY, NEW MEXICO

ORDER OF THE COMMISSION

BY THE COMMISSION:

This matter came on for hearing at 10:00 o'clock a.m. on the 28th day of October, 1948, at Santa Fe, New Mexico, before the Oil Conservation Commission of the State of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 19th day of November, 1948, the Commission, having before it for consideration the testimony adduced at said hearing and being fully advised in the premises,

FINDS:

- 1. That due public notice having been given, as provided by law, the Commission has jurisdiction of this cause.
- 2. That the acreage involved in this application is all State Land and that all royalty under all of said acreage is owned by the Common School Fund of the State of New Mexico.
- 3. That the acreage involved in this application has been leased for oil and gas purposes by the State of New Mexico, acting by and through its Commissioner of Public Lands, as lessor, under State Lease Numbers B-10213, B-10357, B-11330, and B-10839 (which leases also cover lands which are not the subject of this application) and that said oil and gas leases are now owned by the said Phillips Petroleum Company.
- 4. That the acreage which is the subject of this application consists of nine contiguous forty-acre units comprising 360 acres in the Caprock Pool of Chaves and Lea Counties, New Mexico.
- 5. That the establishment and operation of a central tank battery as requested by this application will enable Phillips Petroleum Company to operate said leases more efficiently and will extend the economic life of wells located thereon, and will result in a greater ultimate recovery of oil therefrom; and that the establishment and operation of such central tank battery will be in the interest of conservation, will prevent waste, and will enable Phillips Petroleum Company to produce oil that would not otherwise be recovered.
- 6. That Order No. 792, effective September 21, 1948, amending Order No. 72, effective August 1, 1937, amending Order No. 52, of this Commission, provides that exceptions may be made at the discretion of the Commission.

7. That this is a proper case for the Commission to grant an exception to the said Order No. 72.

IT IS, THEREFORE, ORDERED, that the application of Phillips Petroleum Company for an exception to Order No. 72 of this Commission, effective August 1, 1937, amending Order No. 52, be, and the same is hereby, granted and approved, and that the said Phillips Petroleum Company be, and it is hereby, authorized to establish, maintain, and operate a central tank battery for all wells located upon or which may be hereafter drilled on the NE/4 NE/4, SE/4 NE/4, NE/4, SE/4, SW/4 NW/4, SE/4 SE/4, NW/4 NE/4, SW/4 NE/4, and NE/4 NW/4 all in section 32, Township 12, South, Range 32, East, Lea County, New Mexico.

IT IS FURTHER ORDERED, that Phillips Petroleum Company be, and it is hereby, authorized to designate a single lease name for the above described tracts and to re-name and re-number the wells heretofore drilled thereon in accordance with the lease name so designated. Amended forms shall be filed with respect to the wells so re-named and re-numbered, and all wells hereafter drilled thereon shall be designated by such lease name and numbered consecutively.

IT IS FURTHER ORDERED, that adequate tankage and other equipment be established and maintained in connection with such central tank battery so that the production from each well can be accurately determined at reasonable intervals.

IT IS FURTHER ORDERED, that no well located upon or hereafter drilled on the above described tracts shall be permitted to produce at a rate in excess of the top allowable as fixed by the Commission.

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

STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

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Megdoer E. Sourier

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXI

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. 160

ORDER NO. 795

THE APPLICATION OF PHILLIPS PETROLEUM COMPANY, BARTLESVILLE, OKLAHOMA, FOR AN EXCEPTION TO ORDER NO. 72, EFFECTIVE AUGUST 1, 1937, AMENDING ORDER NO. 52 AND FOR AN ORDER AUTHORIZING A CENTRAL TANK BATTERY FOR CERTAIN LEASES IN SECTION 32, TOWNSHIP 12 SOUTH, RANGE 32 EAST, LEA COUNTY, NEW MEXICO



ORDER OF THE COMMISSION

BY THE COMMISSION:

This matter came on for hearing at 10:00 o'clock A. M. on the 28th day of October, 1948, at Santa Fe, New Mexico, before the 0il Conservation Commission of the State of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 10 h day of 1948, the Commission, having before it for consideration the testimony adduced at said hearing and being fully advised in the premises.

FINDS:

- 1. That due public notice having been given, as provided by law, the Commission has jurisdiction of this cause.
- 2. That the acreage involved in this application is all State Land and that all royalty under all of said acreage is owned by the Common School Fund of the State of New Mexico.
- 3. That the acreage involved in this application has been leased for oil and gas purposes by the State of New Mexico, acting by and through its Commissioner of Public Lands, as lessor, under State Lease Numbers B-10213, B-10357, B-11330, and B-10839 (which leases also cover lands which are not the subject of this application) and that said oil and gas leases are now owned by the said Phillips Petroleum Company.
- 4. That the acreage which is the subject of this application consists of nine contiguous forty-acre units comprising 360 acres in the Caprock Pool of Chaves and Lea Counties, New Mexico.
- 5. That the establishment and operation of a central tank battery as requested by this application will enable Phillips Petroleum Company to operate said leases more efficiently and will extend the economic life of wells located thereon, and will result in a greater ultimate recovery of oil therefrom; and that

the establishment and operation of such central tank battery will be in the interest of conservation, will prevent waste, and will enable Phillips Petroleum Company to produce oil that would not otherwise be recevered.

That Order #791, iffeline Sept 21, 1948 amending Order No. 52, of this Commission provides that exceptions may be made at the discretion of the Commission.

7. That this is a proper case for the Commission to grant an exception to the said Order No. 72.

IT IS, THEREFORE, CRDERED, that the application of Phillips Petroleum Company for an exception to Order No. 72 of this Commission, effective August 1, 1937, amending Order No. 52, be, and the same is hereby, granted and approved, and that the said Phillips Petroleum Company be, and it is hereby, authorized to establish, maintain, and operate a central tank battery for all wells lecated upon or which may be hereafter drilled on the NE/4 NE/4, SE/4 NE/4, NE/4 SE/4, SW/4 NW/4, SE/4 NW/4, SE/4 SE/4, NW/4 NE/4, SW/4 NE/4, and NE/4 NW/4, all in Section 32, Township 12-South, Range 32-East, Lea County, New Mexico.

IT IS FURTHER CRDERED, that Phillips Petroleum Company be, and it is hereby, authorized to designate a single lease name for the above described tracts and to re-mame and re-mumber the wells heretofore drilled thereon in accordance with the lease name so designated. Amended forms shall be filed with respect to the wells so re-named and re-numbered, and all wells hereafter drilled thereon shall be designated by such lease name and numbered consecutively.

IT IS FURTHER CRDERED, that adequate tankage and other equipment be established and maintained in connection with such central tank battery so that the production from each well can be accurately determined at reasonable intervals.

IT IS FURTHER CRDERED, that no well located upon or hereafter drilled on the above described tracts shall be permitted to produce at a rate in excess of the top allowable as fixed by the Commission.

DONE AT Senta Fe, New Mexico on the day and year hereinabove designated.

OIL CONSERVATION COMMISSION
CHAIRMAN
MEMBER
SECRETARY

STATE OF NEW MEXICO

PHILLIPS PETROLEUM COMPANY MEDICAL COMPANY MIDLAND, TEXAS LEGAL DEPARTMENT MIDLAND DIVISION DON EMERY VICE PRESIDENT AND GENERAL COUNSEL November 2, 1948 RAYMOND A. LYNCH CHIEF ATTORNEY CARL W. JONES STAPP ATTORNEY RAYBURN L. FOSTER
ASSISTANT GENERAL COUNSEL R. B. F. HUMMER SENERAL ATTORNEY Subject: Application of Phillips Petroleum Company for an exception to Order No. 72 effective August 1, 1937, amending Order No. 52, and for an file Case 160 order authorising a central tank

> Oil Conservation Commission State of New Mexico Santa Fe, New Mexico

Attention: Mr. R. R. Spurrier

Dear Sir:

Enclosed are original and two copies of a proposed order relative to the above subject in the event the Gil Conservation Commission decides to grant the application which was submitted on October 28, 1948.

Thanking you, I am

Very truly yours,

battery for certain leases in Section 32, Township 12-South,

Range 32-East, Lea County, New Mexico

Carl W. Jones Attorney

CWJ:ml

Jund (mending)

PHILLIPS PETROLEUM COMPANY

MIDLAND, TEXAS

LEGAL DEPARTMENT

DON EMERY VICE PRESIDENT AND GENERAL COUNSEL October 8, 1948

MIDLAND DIVISION RAYMOND A. LYNCH CHIEF ATTORNEY CARL W. JONES STAFF ATTORNEY

RAYBURN L. POSTER ASSISTANT GENERAL B. F. HUMMER GENERAL ATTORNEY

Subject: Application of Phillips Petroleum Company for an Exception to Order 72, effective August 1, 1937, Amending Order 52, and for an order Authorizing a Central Tank Battery for Certain Leases in Section 32, Township 12-South, Range 32-East, Lea County, New Mexico

Caar 160

Oil Conservation Commission

State of New Mexico Santa Fe, New Mexico

Attention: Mr. R. R. Spurrier

Dear Sir:

This is to confirm my telephone conversation with the Chief Clerk of your department of today in which the State Lease numbers given in the first paragraph of the above application of Phillips Petroleum Company dated September 22, 1948 were changed. The following specific corrections were made at my request:

- "State Lease No. 35135" changed to "State Lease No. B-10213"
 "State Lease No. 35185" changed to "State Lease No. B-10213"
- 3. "State Lease No. 36152" changed to "State Lease No. B-10357"
 4. "State Lease No. 45291" changed to "State Lease No. B-11330"
- 5. "State Lease No. 46421" changed to "State Lease No. B-10839"

It is my understanding that notices of the application have not yet been published or sent to the Lea County Operators Committee. The corrections in the application have therefore been made prior to the date of such notices even if the State Lease numbers are to be given therein, which I understand is not usually the case.

Thanking you, I am

CWJ:ml Airmail - Special Delivery PHILLIPS PETROLEUM COMPANY

LEGAL DEPARTMENT

DON EMERY VICE PRESIDENT AND GENERAL COUNSEL

RAYBURN L. FOSTER ABBISTANT BEHERAL COUNSEL

R. B. F. HUMMER GENERAL ATTORNEY MIDLAND, TEXAS September 22, 1948

MIDLAND DIVISION

RAYMOND A. LYNCH CHIEF ATTORNEY CARL W. JONES STAFF ATTORNEY

Oil Conservation Commission State of New Mexico

Attention: Mr. R. R. Spurrier

Santa Fe, New Mexico

Gentlemen:

Enclosed herewith for filing is application in triplicate of Phillips Petroleum Company for an exception to Order 72, effective August 1, 1937, amending Order 52, and for an order authorizing a central tank battery for certain leases in Section 32, Township 12 South, Range 32 East, Lea County, New Mexico.

We shall appreciate it if you will publish the proper notice and set this application for hearing at your earliest convenience, notifying us of the date thereof.

Yours very truly,

Carl W. Jones

arl W. Jones Attorney

CWJ:feh Encl.

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF)
PHILLIPS PETROLEUM COMPANY, BARTLESVILLE) CASE NO
OKLAHOMA, FOR AN EXCEPTION TO ORDER 72,)
EFFECTIVE AUGUST 1, 1937, AMENDING ORDER)
52, AND FOR AN ORDER AUTHORIZING A CENTRAL	ORDER NO.
TANK BATTERY FOR CERTAIN LEASES IN SECTION)
32, TOWNSHIP 12 SOUTH, RANGE 32 EAST, LEA)
COUNTY NEW MEXTCO)

APPLICATION

COMES Now Phillips Petroleum Company, a Delaware Corporation with offices at Bartlesville, Oklahoma, authorized to transact business as a foreign corporation in the State of New Mexico, and respectfully represents unto the Oil Conservation Commission of the State of New Mexico that it owns valid and subsisting oil and gas leases from the State of New Mexico, acting by and through its Commissioner of Public Lands, as Lessor, covering the following described 40-acre units in Section 32, Township 12 South, Range 32 East, Lea County, New Mexico:

1. State Lease No. 35135 - NE/4 NE/4, SE/4 NE/4, NE/4 SE/4 B-102/3
2. State Lease No. 35185 - SW/4 NW/4, SE/4 NW/4 B-102/3
3. State Lease No. 36152 - SE/4 SE/4 (and also SE/4 SW/4, which is not included in this application)
4. State Lease No. 45291 - NW/4 NE/4, SW/4 NE/4
5. State Lease No. 46421 - NE/4 NW/4

B-10839

The above described tracts comprising 360 acres, being nine contiguous 40-acre units, in the Caprock Pool of Chaves and Lea Counties, New Mexico. Royalties under all of the above described leases are for the benefit of the Common School Fund of the State of New Mexico.

This applicant has completed producing wells on SW/4 NW/4 (Rock #1), SE/4 NW/4 (Rock #2), is now drilling a well on NE/4 NW/4 (Otia #1), and contemplates drilling a well on SW/4 NE/4 (Alden #1), all in said Section 32. Applicant has also completed a producing well on SE/4 SW/4 (Cap #1), which tract is, however, not included in this application and such well will not be produced into the central tank battery in the event this application is granted.

If all of the above described leases are productive and in the absence of the exception requested by this application, it will be necessary to set 5 separate tank batteries, consisting of 13-210 barrel tanks, at a cost of

approximately \$13,000.00. If a central tank battery can be used, 8-210 barrel tanks, costing approximately \$8,000.00, would be sufficient to receive the estimated production from all wells on the said nine units. Your applicant further states that said leases can be operated more efficiently by the use of a central tank battery because the lease personnel will be enabled to devote more time and effort to well and lease maintenance. It is, therefore, respectfully requested that this Commission authorise such a central tank battery. Since all of the units are contiguous and since all royalties are payable to the same Institution, that is, the Common School Fund, applicant believes that this is a proper case for the Commission to exercise its discretion to grant an exception to Order 72, effective August 1, 1937, amending Order 52, as authorized by said order.

In the event this application is granted, the central tank battery will be set in the approximate center of said Section 32. The central battery will include adequate tankage and other equipment so that the production from each well can be accurately determined at reasonable intervals.

WHEREFORE, Your applicant respectfully requests that it be granted an exception to Order 72, effective August 1, 1937, amending Order 52 and that this Honorable Commission enter its order authorizing a central tank battery for production from all wells drilled on the nine units, comprising 360 acres, described in the first paragraph of this application.

DONE in Midland, Texas, on this 22nd day of September, 1948.

Respectfully submitted,
PHILLIPS PETROLEUM COMPANY

Carl W. Jones

Attorney

P. O. Box 791 Midland, Texas BEFORE THE OIL CONSERVATION
COMMISSION
OF THE STATE OF NEW MEXICO

In the matter of the application of Phillips Petroleum Company, Bartlesville, Oklahoma, for an exception to Order 72, effective August 1, 1937, amending Order 52, and for an order authorizing a central tank battery for certain leases in Section 32, T-12S, R-32E, Lea County, New Mexico

CASE NO. ____

. . . .

PHILLIPS PETROLEUM COMPANY

By Carl W. Jones, Attorney
P. O. Box 791
Midland, Texas