



**PHILLIPS PETROLEUM COMPANY**

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BARTLESVILLE, OKLAHOMA

October 18, 1951

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In re: Application of Phillips Petroleum Company for a Hearing for the Purpose of Requesting Establishment of an Unorthodox Gas Unit for Its C. D. Woolworth Group 3 Well No. 1, Cooper-Jal Pool, Lea County, New Mexico.

New Mexico Oil Conservation Commission  
Santa Fe, New Mexico

Attention of Mr. R. R. Spurrier, Secretary

Gentlemen:

Phillips Petroleum Company's C. D. Woolworth Group 3 Well No. 1, located in the center of the SW/4 SW/4 of Section 6-25S-37E, Cooper-Jal Field, Lea County, New Mexico, was originally completed on October 9, 1935 at a total depth of 3522 feet in the Seven Rivers formation with 7" casing set at 3040 feet. Potential test was 61 barrels of oil and 36 barrels of water in 24 hours with a gas-oil ratio of 27,869 cubic feet per barrel of oil. In October, 1937, a formation packer was set at 3381 feet in an effort to reduce the gas-oil ratio. On January 16, 1947 the well was shut in for oil production because it could not economically be produced.

On January 7, 1947 El Paso Natural Gas Company began buying gas from the casing-tubing annulus. The gas was produced from the Upper Seven Rivers formation in the interval 3040 feet to 3381 feet.

This well is still being produced as a gas well from the Upper Seven Rivers formation, but in view of the fact that, as an oil well, the well was assigned only a 40 acre unit, El Paso has been purchasing gas from this well on the basis of one-fourth of 25 per cent of the open flow potential, while wells offsetting this well, to each of which a full unit of 160 acres is attributed, are producing into El Paso's line the full 25 per cent of open flow potential.

New Mexico Oil Conservation Commission Rule 104, Paragraph (d) (Revision No. 1) states, "Each well drilled within a defined gas pool shall be located on a tract consisting of not less than a quarter section of

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approximately 160 surface contiguous acres substantially in the form of a square . . . ." Paragraph No. 1 of the same rule goes on to say that if "Drilling tract consists of less than 158 acres or more than 162 acres, the top unit allowable for such well shall be increased or decreased in the proportion that the number of acres in the drilling tract bears to 160."

Phillips Petroleum Company owns 240 acres in the same lease described as

SW/4 NW/4, NW/4 SW/4, and S/2 S/2  
Section 6-25S-37E.

Only 40 acres of this 240 acres is assigned to the C. D. Woolworth Group 3 No. 1 well, and none of the 240 acres is attributed to any other well.

Phillips Petroleum Company hereby respectfully requests that a hearing be scheduled by the Commission at the earliest convenient date in order that we may propose the following:

- (1) That our C. D. Woolworth Group 3 No. 1 Well be classified as a gas well producing from the Upper Seven Rivers formation.
- (2) That an exception to Rule 104 be granted for the creation of an unorthodox proration unit, and
- (3) That the entire above described 240 acres, or in any event 160 acres of the above described 240 acres, be established as the producing unit of acreage assigned to this well.

We also request that the Commission give notice of such hearing as required by law.

Yours very truly,

  
C. F. Dimit

CPD