

BEFORE THE
OIL CONSERVATION COMMISSION OF
THE STATE OF NEW MEXICO

APPLICATION OF PHILLIPS PETROLEUM
COMPANY FOR AN EMERGENCY ORDER GRANTING
AN EXCEPTION TO RULE 104 OF THE RULES
AND REGULATIONS OF THE OIL CONSERVATION
COMMISSION OF THE STATE OF NEW MEXICO

Comes now Phillips Petroleum Company and petitions the Oil Conservation Commission of the State of New Mexico for an emergency order granting an exception to the provisions of Rule 104 relating to well spacing, acreage requirements for drilling tracts, of the Rules and Regulations of the Oil Conservation Commission of New Mexico, as provided by Rule 1202 of said Rules and Regulations, and by Sec. 65-3-20, New Mexico Statutes, 1953, Annotated, and in support thereof would show:

1. That Phillips Petroleum Company is the owner of a three-fourths undivided working interest in the north 60 acres of the Southeast Quarter ($SE\frac{1}{4}$) of Section 28, Township 25 South, Range 37 East, N.M.P.M.

2. That the south 100 acres of Section 28, Township 25 South, Range 37 East, N.M.P.M., is owned by the Woodley Petroleum Company of California.

3. That the one-fourth mineral interest outstanding under the Phillips Petroleum Company lease is owned as follows:

- a. 98% by C. B. Wrightman, Houston, Texas.
- b. 2% by a number of owners whose names are not immediately available to petitioner.

4. That Harry Leonard of Roswell, New Mexico, is lessor to Phillips Petroleum Company, and that the royalty ownership under said lease is as follows:

- a. $\frac{1}{4}$ of $\frac{1}{8}$ - Harry Leonard, Roswell, New Mexico.

b. 3/8 of 1/8 - S. M. Gloyd, Oklahoma City, Oklahoma
(Petitioner is informed that S. M.
Gloyd died February 20, 1955).

c. 1/8 of 1/8 - Saunders Estate.

5. That the lease held by Phillips Petroleum Company covering the north 60 acres of the Southeast Quarter ($SE\frac{1}{4}$) of Section 28, Township 25 South, Range 37 East, N.M.P.M. will expire by its terms on February 28, 1955, unless a well is first commenced on said acreage, and that Phillips Petroleum Company has been unable to obtain an extension of this lease.

6. That efforts to communitize acreage held by Phillips Petroleum Company with that held by Woodley Petroleum Company have been unsuccessful.

7. That Anderson-Pritchard Oil Corporation is the owner of the Southwest Quarter ($SW\frac{1}{4}$) of said Section 28, Township 25 South, Range 37 East, N.M.P.M.; that said owners have drilled a well designated as the Anderson-Pritchard Oil Corporation No. 1 American Republics Federal, located 1980 feet from the South line and 1980 feet from the West line of said section; that said well has been completed as a producer from the Devonian formation at a depth of approximately 8,498 feet, and is productive of large quantities of gas.

8. That as a result of such well, drainage of the acreage owned by Phillips Petroleum Company is occurring or will occur, thereby creating possibility of liability for drainage to Phillips' lessor.

9. That there are not now in existence any field rules governing gas production from this formation in the area, and it is now too early to tell what should be the limits of the pool to be created or what field rules, including rules setting up spacing regulations and proration units, should be adopted by the Commission.

10. That Phillips Petroleum Company cannot drill within the defined limits of the Jalmat Gas Pool without an exception to the pool rules for said pool; and cannot drill to the Devonian formation without an exception to the provisions of Rule 104 of the Rules and Regulations of the New Mexico Oil Conservation Commission.

11. That unless an exception is granted, applicant will be denied an opportunity to recover its just and equitable share of the oil or gas, or both, in the pool, and will be denied an opportunity to drill on and produce from the lands held by applicant, contrary to the provisions of law.

12. That such drilling and production can be done without waste.

WHEREFORE, petitioner prays this honorable commission to enter its order:

a. Granting emergency authority to drill a well, to be located 660 feet East of the West line, and 660 feet South of the North line of the Southeast Quarter ($SE\frac{1}{4}$) of Section 28, Township 25 South, Range 37 East, N.M.P.M.

b. Setting this matter for hearing at the earliest practicable date, for the entry of a permanent order approving the location and unit involved herein.

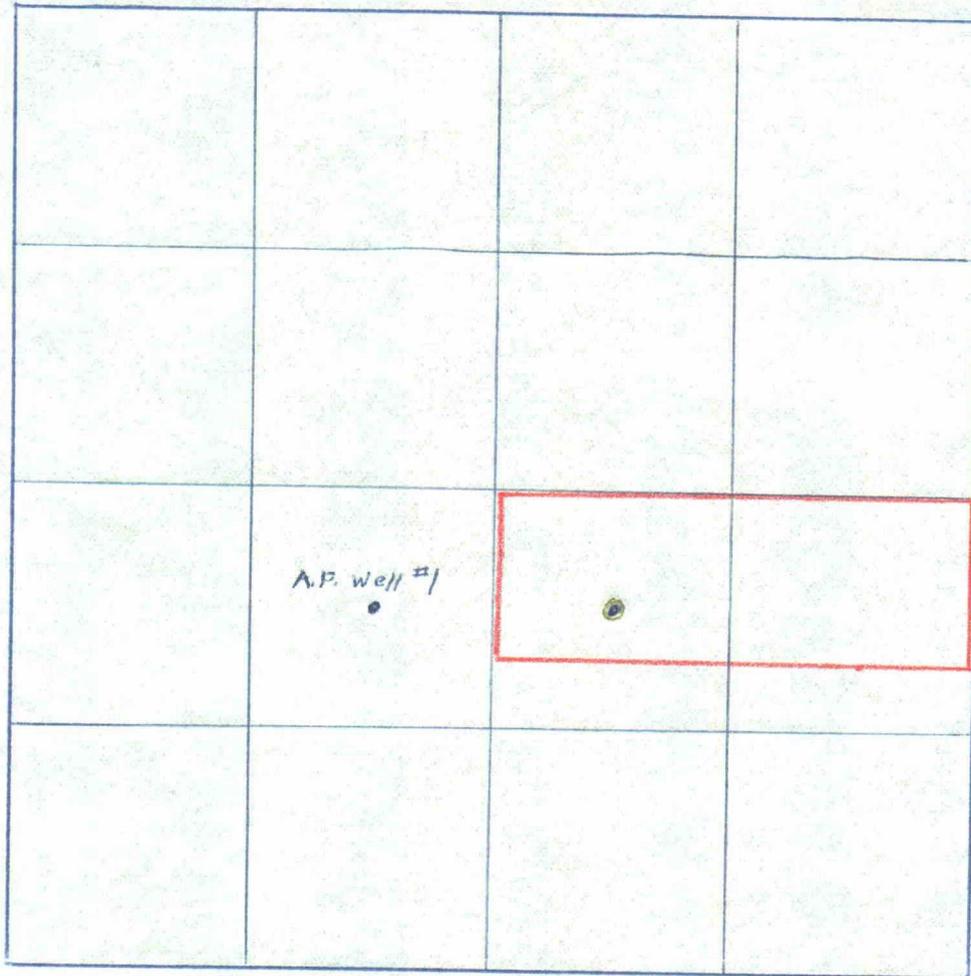
c. Providing that in the event said well is completed within the defined limits of the Jalmat Gas Pool, petitioner shall immediately apply for the establishment of an unorthodox unit under the provisions of the pool rules of the Jalmat Gas Pool.

d. Such other and further relief as shall appear proper in the premises.

PETITIONER FURTHER PRAYS that this honorable Commission, after due notice as required by law, call a hearing for the establishment of field rules, establishing the vertical and horizontal limits of the common source of supply discovered by the Anderson-Pritchard Oil Corporation well in Section 28, Township 25 South, Range 37 East, N.M.P.M. fixing spacing regulations therein, and such other matters as may be properly considered at such hearing.

Respectfully submitted,

Jason W. Kellah
Attorney for Phillips Petroleum Co.



Section 28, Township 25 South, Range 37 East, NMPM

● Phillips' proposed location

NOTICE OF PUBLICATION
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION
SANTA FE - NEW MEXICO

The State of New Mexico by its Oil Conservation Commission hereby gives notice pursuant to law and the Rules and Regulations of said Commission promulgated thereunder of the following special public hearing to be held at 9 o'clock a.m. on March 10, 1955, Mabry Hall, State Capitol, Santa Fe, New Mexico.

STATE OF NEW MEXICO TO:

All named parties and persons having any right, title, interest or claim in the following case, and notice to the public.

CASE 853:

In the matter of the application of Phillips Petroleum Company for approval of a well location and of a drilling unit of less than 40 acres in exception to Commission regulations.

Applicant, in the above-styled cause, seeks approval of the location of a projected well in the center of NW/4 SE/4 of Section 28, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico, and for approval of a drilling unit of less than 40 acres for assignment thereto, the proposed unit to consist of N/2 of NW/4 of SE/4 and N/2 of S/2 of NW/4 of SE/4 of said Section 28, as an exception to provisions of Rule 104 of the Commission's Rules and Regulations.

GIVEN under the seal of the New Mexico Oil Conservation Commission at Santa Fe, New Mexico, on this 23rd day of February, 1955.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

W B Macey
W. B. MACEY, SECRETARY

S E A L