

CASE 1471: Application of Phillips Petroleum Company for a non-standard gas proration unit. Applicant, in the above-styled cause, seeks an order establishing a 240-acre non-standard gas proration unit in the Tubb Gas Pool consisting of the NW/4 and the W/2 SW/4 of Section 24, Township 22 South, Range 37 East, Lea County, New Mexico, said unit to be dedicated to the applicant's Sims Well No. 3, located 1980 feet from the North and West lines of said Section 24.

CASE 1472: Application of Sunray Mid-Continent Oil Company for an oil-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its State Land 15 Well No. 3, located 660 feet from the South line and 1980 feet from the East line of Section 16, Township 21 South, Range 37 East, Lea County, New Mexico, to permit the production of oil from the Drinkard Pool and oil from the Blinebry Oil Pool through parallel strings of tubing.

Held

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Date July 7, 1958

CASE NO. 1471

9:00 A. M.
HEARING DATE July 21, 1958 - DSN - SF

My recommendations for an order in the above numbered case(s) are as follows:

Enter an order in the subject case denying the application of Phillips Petroleum Company for a 240-acre non-standard proration unit in the Tubb Gas Pool. Applicant has proposed to create a unit comprising the NW/4 and the W/2 SW/4 of Section 24, Township 22 South, Range 37 East and to dedicate said unit to its George W. Sims Well No. 4 located in the SE/4 NW/4 of said Section 24. This well is presently completed in the Drinkard formation but has reached a state of depletion which will soon require recompletion in another zone or the plugging of the well. Applicant has proposed to recomplete said well in the Tubb Gas Pool. Applicant also has another well, being the Sims Well No. 5, which is located in the NW/4 SW/4 Section 24. This well is, according to the testimony, at a more advanced state of depletion than the Sims Well No. 3. If the application for 240-acre unit is denied, applicant can go ahead and dedicate the NE/4 of Section 24 to the Well No. 3 and upon recompletion of Well No. 5, dedicate the W/2 of the SW/4 of Section 24 to that well or communitize the W/2 of SW/4 of Section 24 and the E/2 of SW/4 Section 24 and form a standard unit to be dedicated to the Well No. 5. If the former course is taken and an 80-acre unit established, there should be sufficient acreage dedicated to the well to result in a profitable pay-out as there are many 80-acre units in the Tubb Gas Pool which are commercial.

Applicant has cited three instances in the Tubb Gas Pool wherein larger than 160-acre units have been approved by the Commission. These include Skelly Oil Company's unit comprising the SW/4 and the W/2 SE/4 of Section 10, Township 22 South, Range 37 East, Ohio Oil Company's 320-acre unit comprising the N/2 of Section 11, Township 22 South, Range 37 East, and Trinity Production Company's 240-acre unit comprising the NW/4 and the W/2 NE/4 Section 21, Township 21 South, Range 37 East.

While the Commission has in fact authorized these three non-standard units in the Tubb Gas Pool consisting of more than 160 acres, the circumstances in each case are different than the subject case. It is not believed that the ideal situation exists in any of the three aforesaid exceptions whereby two wells existed which could readily be plugged back to the Tubb Gas Pool and avoid the necessity for a larger than standard unit. Furthermore applicant in the subject case has failed to prove that one well will adequately and efficiently drain 320 acres. There is evidence in other cases to the contrary that one well will not efficiently drain substantially in excess of 160 acres.

Staff Member