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BEFORE THE OIL CONSERVATION COMMISSION OF
THE STATE OF NEW MEXICO

IN WITNESS WHEREOF THE AFFILIATION
OF PHILLIPS PETROLEUM COMPANY AND
PHILLIPS CHEMICAL COMPANY FOR
PURPOSE TO COMBINE THE
GRAYBURG-SAN ANDRES PRODUCTION
FROM PARTS OF THREE SEPARATE
LEASES IN THE VACUUM POOL, LEA
COUNTY, NEW MEXICO

CASE NO. 2071

A P P L I C A T I O N

Come now Phillips Petroleum Company and Phillips Chemical Company and make this application for an order granting permission to combine the Grayburg-San Andres production from parts of three separate State leases in the Vacuum Pool of Lea County, New Mexico, into a common tank battery, and in support of the application state:

1.

Phillips Petroleum Company is the sole owner and operator of the following State leases and leasehold estates located in Township 17 South, Range 35 East, Lea County, New Mexico:

- (1). State Lease No. B-2073, covering, among other land, the SE/4 NE/4 of Section 19.
- (2). State Lease No. B-2368, covering, among other land, the NW/4 SE/4 of Section 20.
- (3). State Lease No. B-1501, covering, among other land, the NE/4 NW/4 of Section 29.

2.

Phillips Petroleum Company is the operator and Phillips Chemical Company, its wholly owned subsidiary, is the sole owner of the following State leases and leasehold estates located in Township 17 South, Range 35 East, Lea County, New Mexico:

- (1). State Lease No. B-2388, covering, among other land, the SW/4 SE/4 and the NE/4 SW/4 of Section 20.
- (2). State Lease No. B-1501, covering, among other land, the NW/4 NE/4 of Section 29.

3.

Each of the above described six 40-acre tracts has located thereon an oil well producing from the Grayburg-San Andres formation in the Vacuum Pool; and applicants request this Commission to issue an order granting them permission to commingle the Grayburg-San Andres production from these six wells and to gather such production into and to run the same from a common tank battery located in the SW/4 SE/4 of said Section 20.

4.

All of the above described land is State land the beneficiary of which is the Common School Fund, so that approval of this application will neither result in waste nor impair correlative rights.

5.

The matter which is the subject of this application is being submitted to the Commissioner of Public Lands for his consideration, and his views will be made known to this Commission at the hearing hereon.

WHEREFORE, Phillips Petroleum Company and Phillips Chemical Company, the applicants herein, pray the Commission to set this application for a public hearing before an Examiner as soon as possible after September 1, 1960 (except during the week of September 12), the place of hearing being immaterial to applicants; that notices be

issued according to law; and that after such hearing this application
be in all things granted.

Handwritten signature of Carl W. Jones

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