

BEFORE THE OIL CONSERVATION COMMISSION OF THE
STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
PHILLIPS PETROLEUM COMPANY FOR THE
APPROVAL OF THE WEST CAP QUEEN SAND
UNIT EMBRACING 1,680 ACRES, MORE OR
LESS, LOCATED IN TOWNSHIP 14 SOUTH,
RANGE 31 EAST, CHAVES COUNTY, NEW
MEXICO; FOR APPROVAL OF THE UNIT
AGREEMENT AND UNIT OPERATING AGREE-
MENT APPLICABLE TO SAID UNIT AREA;
AND FOR AUTHORITY TO WATERFLOOD THE
QUEEN SAND UNDERLYING SAID UNIT AREA.

CASE NO. 2645

APPLICATION

NOW COMES applicant Phillips Petroleum Company, a Delaware corpora-
tion with offices in Midland, Texas, and hereby makes application for the
approval of the West Cap Queen Sand Unit, Chaves County, New Mexico, and the
Unit Agreement and Unit Operating Agreement applicable to said Unit Area,
and for authority to waterflood the Queen Sand underlying said Unit Area,
and in support thereof shows:

1.

The proposed Unit Area covered by said Agreement embraces 1,680
acres, more or less, more particularly described as follows:

NEW MEXICO PRINCIPAL MERIDIAN, NEW MEXICO

T. 14 S., R. 31 E.

Sec. 8: SE/4, SW/4 and E/2 NE/4, 400 acres
Sec. 16: SW/4 SW/4, 40 acres
Sec. 17: All, 640 acres
Sec. 20: NE/4, 160 acres
Sec. 21: NE/4, NW/4, W/2 SE/4, and NE/4 SE/4,
440 acres

Situated in Chaves County, New Mexico.

The formation (and the only formation) within the proposed Unit
Area being unitized is that heretofore established underground reservoir
underlying the Unit Area and commonly known as the Queen Sand or Formation
of the Guadalupe series of the Permian system, being further identified in
the Unit Agreement as the producing sand found in Phillips Petroleum Company
Cleat Well No. 1, located in the SE/4 NE/4 of Section 17-14S-31E, Chaves County,
New Mexico, between the depths of 1,366 feet and 1,400 feet above sea level.

Handwritten:
9/17/62
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2.

The lands embraced within the proposed Unit Area consist of State, Federal and fee lands.

3.

Applicant states that the Unit Agreement and Unit Operating Agreement will permit the producing area to be developed and operated in the interest of conservation and the prevention of waste of oil and gas.

4.

Applicant Phillips Petroleum Company is designated as Unit Operator in said Unit Agreement and as such is given authority under the terms thereof to carry on all operations necessary for the development and operation of the Unit Area and the Unitized Formation for the production of oil and/or gas, subject to all applicable laws and regulations.

5.

A copy of said Unit Agreement and the Unit Operating Agreement for the development and operation of the West Cap Queen Sand Unit Area, Chaves County, New Mexico, is filed herewith as Exhibit "1" and made a part hereof. Said Unit Agreement is in substantially the same form as agreements heretofore approved by the New Mexico Oil Conservation Commission and the Commissioner of Public Lands and by the United States Geological Survey; under this agreement the State of New Mexico and the United States will each receive their fair share of the oil and gas; and this Unit Agreement in all respects tends to prevent waste and promote conservation of oil and gas.

6.

The names and addresses of all of the working interest owners other than Phillips Petroleum Company are shown on Exhibit "2" attached hereto and made a part hereof.

7.

All of the working interest owners have executed the Unit Agreement and the Unit Operating Agreement, and all of the individual (fee) royalty owners have executed the Unit Agreement.

8.

Application is being made for the approval of said Unit Agreement by the Commissioner of Public Lands of the State of New Mexico and by the Director of the United States Geological Survey.

9.

Applicant has furnished the State Engineer the information required by Memorandum No. 5-58, dated January 31, 1958, as shown by Exhibit "3" attached hereto and made a part hereof.

10.

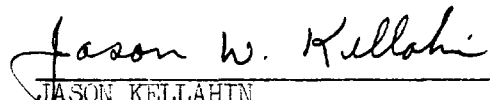
Applicant proposes to waterflood the said Unit Area for secondary recovery by injecting fresh water into the "Unitized Formation" as described in Paragraph 1 hereof in anticipated volumes of 300 to 400 barrels per day to be injected into each of seventeen injection wells, such water to be obtained from the 300-foot Ogallala sand from a source well to be located in SW/4 of Section 18, Township 14 South, Range 32 East or by purchase of Ogallala water in the same general vicinity. Applicant proposes to operate the waterflood project under the provisions of Rule 701.

11.

Attached hereto as Exhibit "4" and made a part hereof is plat showing the location of the proposed injection wells and the location of all other wells and the formation from which such wells are producing or have produced and indicating the lessees within a radius of two miles from the proposed injection wells. Filed herewith as Exhibits "5" through "18", inclusive, and made a part hereof are logs of fourteen of the proposed injection wells; no log was made or is available of two of the proposed injection wells, and a new well will be drilled as the seventeenth injection well. Attached hereto as Exhibit "19" and made a part hereof is a description of the casing program of the proposed injection wells.

WHEREFORE, applicant Phillips Petroleum Company respectfully requests that a public hearing be held before an Examiner in Santa Fe, New Mexico, on this application and that upon said hearing said Unit and the

Unit Agreement and Unit Operating Agreement applicable thereto be approved and authority to waterflood the Queen Sand underlying said Unit Area be granted by the Oil Conservation Commission.



JASON KELLAHIN
Kellahin and Fox
Post Office Box 1713
Santa Fe, New Mexico

CARL W. JONES
Post Office Box 791
Midland, Texas

Attorneys for Applicant
Phillips Petroleum Company

WEST CAP QUEEN SAND UNIT
CHAVES COUNTY, NEW MEXICO
WORKING INTEREST OWNERS

Exhibit No. 2

Tidewater Oil Company
Box 1231
Midland 1, Texas
Attn: R. N. Miller

O. J. Holder
P. O. Box 2103
Santa Fe, New Mexico

Charles H. Wood
118 Valley Drive
Santa Fe, New Mexico

Gordon E. Herkenhoff
866 Don Cubero
Santa Fe, New Mexico

L. C. White
Box 1265
Santa Fe, New Mexico

R. S. Rogers
c/o El Paso National Bank
Box 140
El Paso, Texas

Tom H. Hood
111 Maryland Street
El Segundo, California

Dr. John D. Meschuk
455 Main Street
El Segundo, California

D. D. Patterson
2606 Fannin Street
Midland, Texas

William G. Ross
P. O. Box 1094
Midland, Texas

E. D. Pearce
Route 1, Box 210
Lovington, New Mexico

J. R. & R. L. McLaughlin
115 North 1st Street
Lovington, New Mexico

Mr. A. C. Holder
Box 1476
Lovington, New Mexico

Gulf Oil Corporation
Box 669
Roswell, New Mexico

T. F. Hodge
1113 Continental Bank Building
Fort Worth 2, Texas

Sinclair Oil & Gas Company
P. O. Box 521
Tulsa, Oklahoma

K. S. Adams, Jr.
c/o Ada Oil Company
Box 844
Houston, Texas

Richard S. Anderson, Inc.
Box 1884
Midland, Texas

Henry D. Mercer
90 Broad Street
New York 4, New York

Mr. A. D. Frese
90 Broad Street
New York 4, New York

Walter N. Maguire
300 Main Street
Stamford, Connecticut

Walter L. Maguire
300 Main Street
Stamford, Connecticut

Paul N. Layman, Sr.
Griffing Avenue at West Hampton Beach
Long Island, New York

Broseco Corporation
618 Mercantile Trust Building
Baltimore, Maryland

John P. Rich
618 Mercantile Trust Building
Baltimore, Maryland

Premier Title & Mortgage Co., Trustee
300 Main Street
Stamford, Connecticut

Pecos Land & Development Co., Inc.
Box 416
Santa Fe, New Mexico

Sohio Petroleum Company
970 First National Office Bldg.
Oklahoma City 2, Oklahoma
Attn: Burton W. Whiteley

Richard Lounsbery
c/o E. A. Finch, Jr., Attorney-in-Fact
36 West 44th Street
New York 36, New York

September 6, 1962

Re: Application of Phillips Petroleum Company
for Approval of the New Mexico Oil Conser-
vation Commission to Establish the West
Cap Queen Sand Unit, Approval of the Unit
Operating Agreement, and For Authority to
Waterflood the Queen Sand Underlying Said
Unit located in Township 14S, Range 31E,
Chaves County, New Mexico

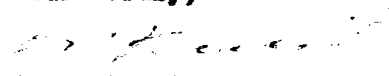
State Engineer
P. O. Box 1079
Santa Fe, New Mexico

Dear Sir:

The attached copy of Phillips' application to the New Mexico Oil Conservation Commission for approval of the West Cap Queen Sand Unit and authority to waterflood the Queen Sand underlying the Unit is being furnished in compliance with Memorandum No. 5-58. It is anticipated that the injection water supply source will be the 300 foot Ogallala Sand located in the Lea County underground water basin. Phillips has obtained a water lease and appropriation for 340 acre feet of water per year from the SW/4 Section 18, Township 14S, Range 32E, Lea County for use in waterflooding this Unit. There is a possibility that the Unit working interest owners may elect to purchase water rather than develop this water supply, but if water is purchased it will be water produced from the Ogallala Sand in the same general vicinity as the above quoted water source.

We will furnish your office with a copy of the water analysis as soon as the water supply has been developed.

Yours truly,


J. N. Perkins
W. Division Superintendent
Production Department

DLC/jw
Attach

Exhibit 3

WEST CAP QUEEN SAND UNIT

Chaves County, New Mexico

Scale: 1" = 4000'

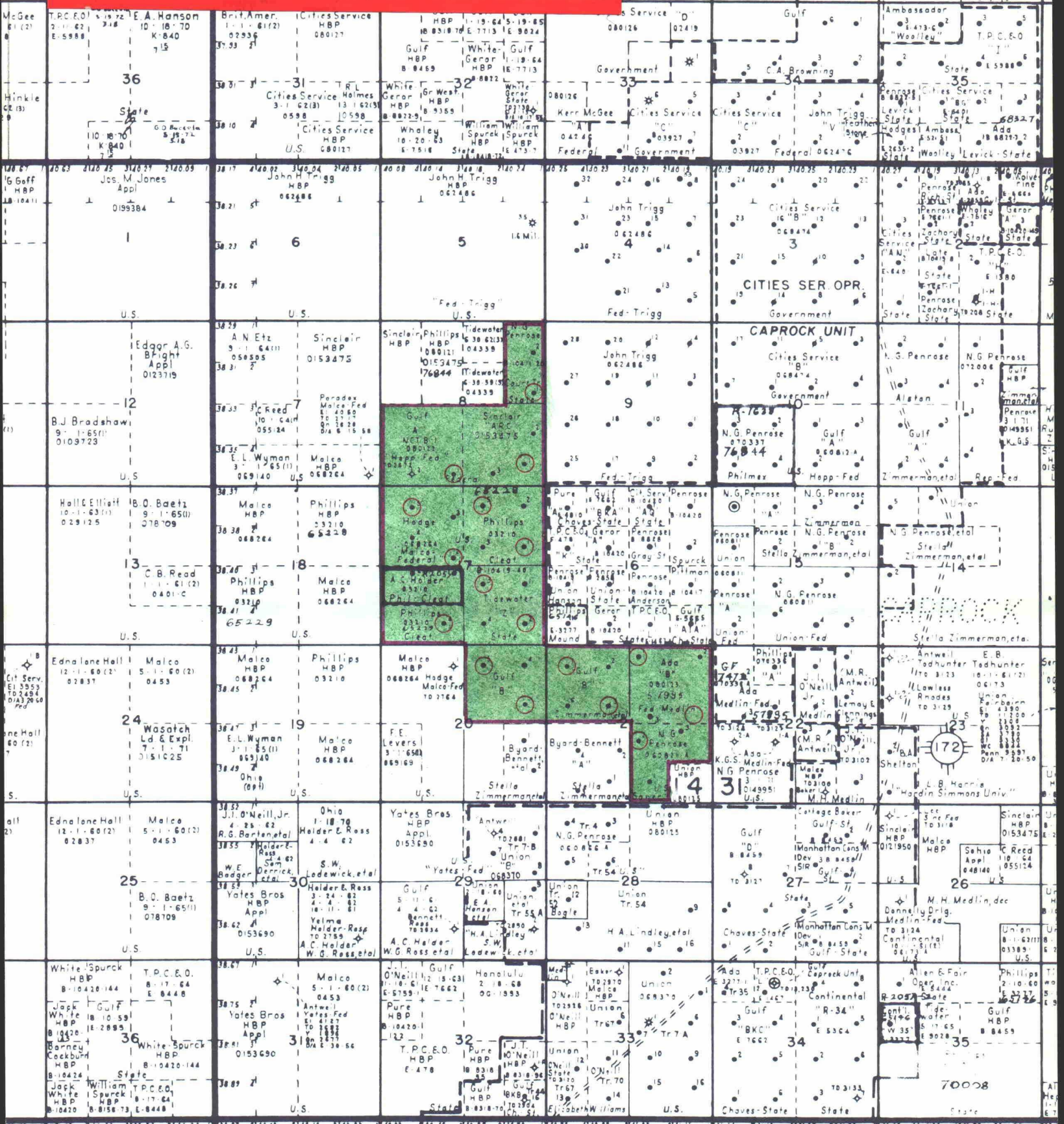
Unit Area

Proposed Input Well

NOTE: There are no wells except Queen wells within a 2 mile radius of the Unit Area.

Phillips Exhibit

4



West Cap Queen Sand Unit
Chaves County, New Mexico

INJECTION WELL SUMMARY

<u>Present Operator, Lease and Well No.</u>	<u>Unit Well No.</u>	<u>Casing Size</u>	<u>Casing Seat</u>	<u>Completion Interval</u>	<u>P - Perforated OH - Open Hole</u>
Ada Fed. Medlin "B" #1	9W1	5½"	2908'	2908-25'	OH
Gulf Hopp Fed. "A" #1	3W1	4½"	2706'	2686-93'	P
Gulf Zimmerman #1	10W1	7"	2789'	2789-840'	OH
Gulf Zimmerman #3	10W3	4½"	2877'	2877-96'	OH
Gulf Zimmerman #5	10W5	4½"	2767'	2765-90'	OH & P
Gulf Zimmerman #7	10W7	4½"	2880'	2821-23'	P
Hodge Malco Fed. #2	5W2	4½"	2725'	2706-14'	P
Hodge Malco Fed. #5	5W5	5½"	2700'	2665-70'	P
Penrose Ct. Trust #1	1W1	5½"	2705'	2705-2721'	OH
Penrose Saner Fed. #2	11W2	7"	2922'	2901-04'	P
Phillips Cleat #1	4W1	5½"	2758'	2758-70'	OH
Phillips Cleat #4	4W4	5½"	2715'	2715-35'	OH
Phillips Cleat #5	4W5	5½"	2708'	2708-29'	OH
Sinclair Arc Fed. #1	2W1	5½"	2746'	2728-37'	P
Tidewater State Z #2	7W2	5½"	2787'	2787-801'	OH
Tidewater State Z #3	7W3	5½"	2770'	2737-49'	P

NOTE: An additional water input well has been scheduled to be drilled in the SE/4, SE/4 of the NE/4, Section 21, Township 14 South, Range 31 East, Chaves County, New Mexico. It is planned that this well will have 4½" casing set through and perforated opposite the Queen formation. All of the injection wells will be equipped with 2" tubing and packers for injection service and the annulus between the tubing string and casing string will be filled with fluid above the packer.