

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:**

**CASE NO. 10845
ORDER NO. R-10017**

**APPLICATION OF PHILLIPS PETROLEUM
COMPANY FOR A UNIT AGREEMENT,
LEA COUNTY, NEW MEXICO.**

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on October 7, 1993, at Santa Fe, New Mexico, before Examiner David R. Catanach.

NOW, on this 16th day of November, 1993, the Division Director, having considered the testimony, the record and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

(1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.

(2) Division Case Nos. 10845 and 10846 were consolidated at the time of the hearing for the purpose of testimony.

(3) The applicant, Phillips Petroleum Company, seeks approval of the Vacuum Glorieta East Unit Agreement for an area comprising some 4,239.80 acres, more or less, of State lands in Lea County, New Mexico, described as follows and hereinafter referred to as the "Unit Area":

TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM

Section 26: N/2 NW/4, SW/4 NW/4, NW/4 SW/4

Section 27: All

Section 28: E/2, SW/4, S/2 NW/4, NE/4 NW/4

Section 29: S/2, S/2 N/2

Section 30: SE/4, S/2 NE/4, E/2 SW/4, SE/4 NW/4

Section 31: E/2, E/2 W/2

Section 32: All

Section 33: N/2, N/2 S/2, SW/4 SW/4

Section 34: W/2 NW/4, NE/4 NW/4, NW/4 SW/4

TOWNSHIP 18 SOUTH, RANGE 35 EAST, NMPM
Section 5: N/2 N/2 (Lots 1, 2, 3 and 4), SW/4 NW/4

(4) Within the Vacuum Glorieta East Unit, the applicant proposes to initiate secondary recovery operations in the Vacuum-Glorieta Pool (being the subject of companion Case No. 10846).

(5) The "Unitized Formation", as described within the Vacuum Glorieta East Unit Agreement, should comprise the stratigraphic interval underlying the Unit Area found between the top of the Glorieta formation to the base of the Paddock formation in the Vacuum-Glorieta Pool. The top of the Glorieta formation for unitization purposes is defined as all points underlying the Unit Area correlative to the depth of 5,838 feet and the base of the Paddock Formation is defined as all points underlying the Unit Area correlative to the depth of 6,235 feet, both depths as identified on the Schlumberger Sonic Log for the Socony Mobil Bridges State Well No 95, located in the SE/4 SE/4 (Unit P) of Section 26, Township 17 South, Range 34 East, NMPM, Lea County, New Mexico.

(6) Applicant has obtained preliminary approval of the Vacuum Glorieta East Unit from the Commissioner of Public Lands for the State of New Mexico.

(7) No interested party appeared and objected to the proposed unit agreement.

(8) All plans of development and operation, and creations, expansions or contractions of participating areas, or expansions or contractions of the Unit Area should be submitted to the Director of the Division for approval.

(9) Approval of the proposed unit agreement should promote the prevention of waste and protection of correlative rights within the Unit Area.

IT IS THEREFORE ORDERED THAT:

(1) The application of Phillips Petroleum Company for approval of the Vacuum Glorieta East Unit Agreement and Unit Area, comprising some 4,239.80 acres, more or less, of State lands in Lea County, New Mexico, and described as follows, for the purpose of initiating a secondary recovery project, is hereby approved.

TOWNSHIP 17 SOUTH, RANGE 35 EAST, NMPM
Section 26: N/2 NW/4, SW/4 NW/4, NW/4 SW/4
Section 27: All
Section 28: E/2, SW/4, S/2 NW/4, NE/4 NW/4
Section 29: S/2, S/2 N/2
Section 30: SE/4, S/2 NE/4, E/2 SW/4, SE/4 NW/4

Section 31: E/2, E/2 W/2
Section 32: All
Section 33: N/2, N/2 S/2, SW/4 SW/4
Section 34: W/2 NW/4, NE/4 NW/4, NW/4 SW/4

TOWNSHIP 18 SOUTH, RANGE 35 EAST, NMPM

Section 5: N/2 N/2 (Lots 1, 2, 3 and 4), SW/4 NW/4

(2) The "Unitized Formation" shall comprise the stratigraphic interval underlying the Unit Area found between the top of the Glorieta formation to the base of the Paddock formation in the Vacuum-Glorieta Pool. The top of the Glorieta formation for unitization purposes is defined as all points underlying the Unit Area correlative to the depth of 5,838 feet and the base of the Paddock Formation is defined as all points underlying the Unit Area correlative to the depth of 6,235 feet, both depths as identified on the Schlumberger Sonic Log for the Socony Mobil Bridges State Well No 95, located in the SE/4 SE/4 (Unit P) of Section 26, Township 17 South, Range 34 East, NMPM, Lea County, New Mexico.

(3) The Vacuum Glorieta East Unit Agreement and the Vacuum Glorieta East Unit Operating Agreement, which were submitted to the Division at the time of the hearing and made a part of the record in this case, are hereby incorporated by reference into this order.

(4) The plan contained in said unit agreement for the development and operation of the unit area is hereby approved in principle as a proper conservation measure; provided however, notwithstanding any of the provisions contained in said unit agreement, this approval shall not be considered as waiving or relinquishing, in any manner, any right, duty or obligation which is now, or may hereafter be, vested in the Division to supervise and control operations for the unit and production of oil and gas therefrom.

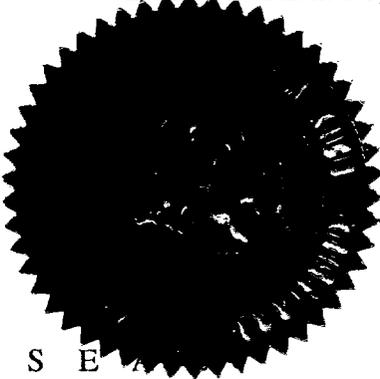
(5) The unit operator shall file with the Division an executed original or executed counterpart of the unit agreement within 30 days after the effective date thereof; in the event of subsequent joinder by any other party or expansion or contraction of the unit area, the unit operator shall file with the Division, within 30 days thereafter, counterparts of the unit agreement reflecting the subscription of those interests having joined or ratified.

(6) All plans of development and operation, all unit participating areas and expansions or contractions of the unit area, shall be submitted to the Director of the Oil Conservation Division for approval.

(7) This order shall become effective upon the approval of said unit agreement by the Commissioner of Public Lands for the State of New Mexico; this order shall terminate ipso facto upon the termination of said unit agreement; and the last unit operator shall notify the Division immediately in writing of such termination.

(8) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

William J. Lemay
WILLIAM J. LEMAY
Director

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