

Case No.

1470

Application, Transcript,
Small Exhibits, Etc.

Case 1478: Phillips Pet. Co. application
for 370-acre NB gas protection unit, Eumoni
Gas Pool, 12-198-36E.

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

IN THE MATTER OF:

CASE NO. 1470

TRANSCRIPT OF HEARING

DEARNLEY - MEIER & ASSOCIATES
GENERAL LAW REPORTERS
ALBUQUERQUE, NEW MEXICO
Phone CHapel 3-6691

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INDEX

DIRECT CROSS REDIRECT

Carl F. Lawrence

3

8

H. T. White

10

12

13

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

IN THE MATTER OF:

CASE NO. 1470 Application of Phillips Petroleum Com-
pany for a non-standard gas proration :
unit. Applicant, in the above-styled :
cause, seeks an order establishing a :
320-acre non-standard gas proration :
unit in the Eumont Gas Pool consisting :
of the N/2 of Section 12, Township 19 :
South, Range 36 East, Lea County, New :
Mexico, said unit to be dedicated to :
the applicant's Monument Well No. 1, :
located 1977 feet from the North line :
and 660 feet from the East line of :
said Section 12.

BEFORE:

Mr. Daniel S. Nutter, Examiner.

T R A N S C R I P T O F P R O C E E D I N G S

MR. NUTTER: The next case on the docket will be Case 1470.

MR. PAYNE: Application of Phillips Petroleum Company for
a non-standard gas proration unit.

MR. KELLAHIN: We will use the same two witnesses.

MR. NUTTER: The record will reflect, I believe, that they
were sworn in for this case.

MR. KELLAHIN: Our first witness will be Mr. Lawrence.

CARL F. LAWRENCE,
called as a witness, having previously been duly sworn on oath,
testified as follows:

DIRECT EXAMINATION

BY MR. KELLAMIN:

Q Mr. Lawrence, are you familiar with the application in Case 1170?

A Yes, sir.

Q And have you made a study of the area involved in this application?

A Yes, sir.

Q Now, referring to what has been marked as Exhibit No. 1, will you state what that shows?

A Exhibit No. 1 is a structure map of the Eumont area, Lea County, New Mexico, as contoured on top of the Penrose. The minus datums are indicated opposite the wells; the wells producing from the Eumont Gas Field are colored in green, and indicated on the structure map. The proposed unit is outlined in red; the structure map exhibits a westerly dip of approximately 350 to 400 feet per mile. The lease -- that's our Monument lease again, is located on the extreme west flange of the Monument anticline, whose axis run essentially in a north-south direction.

Q With reference to the Exhibit, where is the Monument Well No. 1 located?

A The Phillips Petroleum Company's Monument No. 1 Well is located 1977 feet from the North line and 660 feet from the East line, Section 12, Township 19 South, Range 36 East.

Q It is presently completed for production of gas from the Eumont Gas Pool?

A Yes, sir.

Q Now, have you made a study of the geological information

within that area, and the gross thickness of the pay?

A Yes, sir. The gross pay thickness of the Penrose is 170 feet; net pay thickness is 235 feet; the average porosity is 10.5 percent, with the average permeabilities ranging from 2.2 millidarcys to .1 millidarcys.

Q Where is the gas-oil contact fall, in your opinion?

A Minus 175, plus or minus 25 feet.

Q Now, have you prepared an Exhibit showing the completion datums of wells within the vicinity of this well?

A Yes, sir. It would be the same as Exhibit No. 2, in the previous hearing.

Q For the purpose of this case, if the Commission please, we would like to incorporate Exhibit No. 2 into Case No. 1470.

MR. NUTTER: Without objection, Exhibit No. 2 will be entered in Case 1470 as well.

Q That shows the same information which you discussed in the previous case?

A That's correct.

Q Does that also verify or depict the gas-oil contact?

A Yes, sir.

Q Now, in your opinion, Mr. Lawrence, is all of the acreage proposed to be dedicated to the Monument Well No. 1 productive of gas from the Eumont Gas Pool?

A As the Commission has defined the boundaries of the Eumont Gas Field, yes, sir.

Q Now, have you prepared a cross-section showing the wells

located in this area?

A Yes, sir, I have.

Q Now, referring to what has been marked as Exhibit No. 3, will you state what that shows, Mr. Lawrence?

A Exhibit No. 3 is an east-west cross-section. The line of cross-section is indicated on the cross-section itself. It extends from a westerly point from the Gulf Oil Corporation's Lea State "DA" Well No. 7, eastward, including our Monument, Phillips Petroleum Company's Monument No. 2 Well, the Phillips Petroleum Company's Monument No. 1 well, the Gulf Oil Corporation's Shipp "NCTB" Well No. 3, as the easternmost well.

MR. NUTTER: Where is that well located, please?

A The Gulf Oil Corporation's well is located in Section 7, 19 South, 37 East; 1980 from the North and 660 from the East. Our plat -- it is indicated as a Shell well, I believe. I don't know the reason for that. The lease is a Gulf lease. It was drilled by Gulf, but the land map shows that Shell is written above the well. That's correct. I'm sorry. I could not find the electrical log. That is the correct well.

Q Which is the correct well, for the record?

A The Gulf Oil Corporation's Shipp "NCTB" No. 3. The Shell Oil Corporation's No. 1 State, I believe it would be, was omitted from the cross-section because we could not locate the electrical or radioactive log on that well.

Q On the basis of Exhibit No. 3, what conclusions can you

Q Now, Mr. Lawrence?

A That the formation -- the Penrose formation in the Monument reservoir is continuous over the entire lease and that it should be productive of gas.

Q Now, the Exhibit likewise shows the completion information on the wells, does it not?

A Yes, sir. At the bottom of each log is indicated the completion information, completion date and the initial potential.

Q Now, with reference to the Monument Well No. 1, on what date was it completed?

A Monument No. 1 Well was drilled to a total depth of 3901 and completed 4/20/53.

Q That was prior to the pool Rules in the Monument Gas Pool, was it not?

A Yes, sir.

Q Now, have you any information from any recent test showing the gas-oil ratios in this area?

A Our Monument No. 2 Well, completed out of the base of the Penrose section, is a very marginal well. The last well test, which was in April of 1958, the well pumped 7 barrels of oil per day; very marginal well. There are not any direct offsets that we can use as far as GOR tests are concerned.

Q Now, your Monument No. 2 at the present time is a penalty well under the pool Rules, is it not? GOR; penalized for the gas-oil ratio?

A No, sir, I don't believe it is penalized because of the

high GOR's. It was completed in the base of the Penrose. It is just a marginal well. We reworked it, refractured it, but we can't do anything with it.

Q In your opinion, would the dedication of 320 acres to the Monument Well No. 1 result in any appreciable loss of ultimate recovery of oil in this pool?

A No, sir.

MR. KELLAHIN: That's all the questions I have.

Q (By Mr. Kellahin) Mr. Lawrence, were Exhibits 1 and 3 prepared by you or under your direction and supervision?

A Yes, sir.

MR. KELLAHIN: At this time we would like to move the introduction of Exhibits 1 and 3, and by incorporation from Case 1469 Exhibit No. 2, with permission to withdraw Exhibit No. 3 for reproduction and return to the Commission.

MR. NOTTER: Is there objection to the introduction of Phillips' Exhibits Nos. 1 through 3 under the conditions specially outlined for Exhibit No. 2 by Mr. Kellahin? If not, they will be so admitted. That would be No. 3?

MR. KELLAHIN: That would be No. 3.

MR. NOTTER: Is there any objection? If not, the Exhibits will be so admitted.

MR. KELLAHIN: That's all the questions I have.

MR. NOTTER: Anyone have any questions of Mr. Lawrence?

CROSS EXAMINATION

BY MR. FORTEN:

Q Mr. Lawrence, in your opinion, does the gas-oil ratio -- I mean, the gas-oil contact line, in passing through the westernmost portion of this proposed unit indicate that the acreage on the extreme west of the unit may be productive of oil or some other product rather than gas?

A There, again, we have no direct offset production information, or drill stem test, or completion attempt. There is a good possibility that it will produce gas.

Q Even though it may be below the gas-oil contact?

A Yes, sir. I don't believe we can really pin it down that close. I mean, it is permanent and it does vary. I mean that 25 feet. And that small amount of acreage, it would be awfully hard just to pin it down that close, I believe.

Q At the present time, is there any well adjoining the westernmost portion of that proposed unit which would drain the gas from under the unit in the event the unit were not granted as requested?

A The John M. Kelly No. 1 Phillips State, approximately one half mile south of our Monument No. 1, is a gas well having assigned to it, I believe, three or -- I believe four hundred acres, if I am not mistaken.

Q What would the acreage assigned to that well be there?

A Four hundred acres, I believe, is assigned to the John M. Kelly No. 1 State located 660 from the South and East lines of

Section 12.

Q Where would that acreage be that is assigned to that well?

A The entire south half of Section 12, plus the north half of the southwest quarter of Section 7.

Q Is that well so located that it would drain the westernmost portion of Phillips proposed unit?

A Well, sir, I would think so. Otherwise, it wouldn't have that much acreage assigned to it.

Q I mean, is it so located as to drain the western half of the northernmost 320 acres in Section 12?

A Theoretically it would drain it, yes, sir.

MR. NOTTER: Are there any further questions of Mr. Lawrence? If not, he may be excused.

(Witness excused)

MR. KELLAMIN: Mr. White, please.

H. T. WHITE,

recalled as a witness, having previously been duly sworn, testified as follows:

DIRECT EXAMINATION

BY MR. KELLAMIN:

Q Will you state your name, please?

A H. T. White.

MR. KELLAMIN: I think the record will show that this witness was qualified and sworn in the preceding case for the purpose of testimony in this case.

MR. RUTLER: Yes, sir.

Q Mr. White, have you made a study of the area involved in connection with Case No. 1470?

A Yes, sir.

Q In the event this application is not approved, as provided for, in your opinion, will the lease involved suffer drainage?

A Yes, sir, it will.

Q On what do you base that conclusion?

A The fact that Phillips' acreage is productive of gas and that there are wells in the neighborhood capable of receiving this gas.

Q And what wells would you have reference to in connection with this application?

A There is to the east a Shell State Well, to the south a John M. Kelly Well. Still further south, another John M. Kelly Well in Section 13, or immediately close to the well.

Q Now, in your opinion, would the dedication of 320 acres to the Monument Well No. 1 have any effect upon the total gas production from the Mumont Gas Pool?

A No, sir, it will not.

Q On what do you base that?

A On the fact that the total production from the Mumont Field is determined by the pipeline nominations and not by the acreage assigned to the individual wells.

Q Would it reduce the reservoir energy available for the production of oil?

A No, sir, it would not, for the same reason.

Q Is the approval of this application, in your opinion, in the interest of preventing waste and protecting correlative rights?

A Yes, it is.

MR. KELLIAMIN: That's all the questions I have of the witness.

MR. NUTTER: Any questions of Mr. White?

CROSS EXAMINATION

BY MR. NUTTER:

Q Mr. White, is there presently assigned a proration unit to this Monument No. 1 Well?

A Yes, sir, 160 acres.

Q And is the well producing?

A Yes, sir, it is.

Q If this application for 320-acre unit were to be denied, how would this permit the Shell Well to the east to drain the proposed unit?

A All the wells in this Field are capable of draining much further than the confines of their particular lease.

Q Would the Shell Well drain around the Monument Well?

A Yes, sir, I believe that it could.

Q I believe you said that you thought the John M. Kelly No. 1 Well in Section 13 would also drain the unit?

A Yes, sir, and the one in 14 too.

Q The Bell 4 in 14?

A In Section 12. Not the Gulf; I was wrong there. The well in Section 14 probably would receive some of the gas too. However, I did not mention that particular well, but it could.

MR. NUTTER: I believe that's all. Any further questions of Mr. White?

MR. KELLAHIN: I would like to ask one more question with reference to the John M. Kelly immediately to the south.

REDIRECT EXAMINATION

BY MR. KELLAHIN:

Q Did you find that 400 acres was dedicated to that well?

A Yes, sir.

Q Would that fact have any bearing upon the question of drainage involved with the Monument Well No. 1, in your conclusions, as to the possibility of drainage?

A Do you mean as to the size of acreage?

Q In relation to the allowable assigned to the well, yes, sir.

A No, sir, not particularly. Any well which has unassigned acreage is going to be drained by the surrounding wells, whatever the size of the unit.

MR. NUTTER: Mr. White, is the 400-acre unit presently assigned to the John M. Kelly Well located entirely up structure from the gas-oil contact?

A Between--

Q (By Mr. Nutter) If the gas-oil contact is at a minus 175 feet?

A It appears to be, yes, sir.

11
MR. NUTTER: Any further questions of Mr. White? If not,
he may be excused.

(Witness excused)

MR. KELLIAHIN: That's all we have in Case 1470, Mr. Nutter.

MR. NUTTER: Does anyone have any further evidence or state-
ments to offer in Case 1470? If not, we will take the case under
advisement and take a twelve minute recess.

(Recess)

C E R T I F I C A T E

STATE OF NEW MEXICO)
: ss
COUNTY OF BERNALILLO)

I, J. A. TRUJILLO, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Proceedings before the New Mexico Oil Conservation Commission was reported by me in stenotype and reduced to typewritten transcript by me and/or under my personal supervision, and that the same is a true and correct record to the best of my knowledge, skill and ability.

WITNESS my hand and Seal, this, the 11th day of July 1958, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

Jose A. Trujillo
Notary Public

My Commission Expires:
October 5, 1960.

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 1470
heard by me on 6-11 1958.

Samuel A. Pardo
Examiner
New Mexico Oil Conservation Commission

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 1470
Order No. R-1226

APPLICATION OF PHILLIPS PETROLEUM
COMPANY FOR A 320-ACRE NON-STANDARD
GAS PRORATION UNIT IN THE EUMONT
GAS POOL, LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on June 11, 1958, at Santa Fe, New Mexico, before Daniel S. Nutter, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 29th day of July, 1958, the Commission, a quorum being present, having considered the application, the evidence adduced and the recommendations of the Examiner, Daniel S. Nutter, and being fully advised in the premises,

FINDS:

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

(2) That the applicant, Phillips Petroleum Company, is the operator of the N/2 of Section 12, Township 19 South, Range 36 East, NMPM, Lea County, New Mexico.

(3) That the applicant is the operator of the Monument Well No. 1, located 1977 feet from the North line and 660 feet from the East line of said Section 12.

(4) That the applicant proposes the establishment of a 320-acre non-standard gas proration unit in the Eumont Gas Pool, consisting of the above-described acreage, to be dedicated to the aforementioned Monument Well No. 1.

(5) That the gas-oil contact in the Penrose member of the Queen formation passes directly through the NW/4 of said Section 12 in a North-South direction, and accordingly the W/2 NW/4 of Section 12 cannot reasonably be presumed to be productive of gas.

(6) That the probability that Eumont oil will migrate up-structure into the dry gas sands, thereby causing a reduction in the ultimate recovery of oil from the Eumont Gas Pool, will be increased by the production of a 320-acre allowable from the aforementioned well.

(7) That the said Monument Well No. 1 should be assigned a 240-acre non-standard gas proration unit instead of a 320-acre unit, said 240-acre unit to comprise the NE/4 and the E/2 NW/4 of said Section 12.

IT IS THEREFORE ORDERED:

(1) That the application of Phillips Petroleum Company for the establishment of a 320-acre non-standard gas proration unit in the Eumont Gas Pool to consist of the N/2 of Section 12, Township 19 South, Range 36 East, NMPN, Lea County, New Mexico, and to be dedicated to the applicant's Monument Well No. 1, located 1977 feet from the North line and 660 feet from the East line of said Section 12, be and the same is hereby denied.

(2) That a 240-acre non-standard gas proration unit in the Eumont Gas Pool, consisting of the NE/4 and the E/2 NW/4 of said Section 12, be and the same is hereby established, said unit to be dedicated to the aforementioned Monument Well No. 1.

(3) That the said Monument Well No. 1 be assigned an allowable in the proportion that the acreage in the non-standard gas proration unit established above bears to the acreage in a standard gas proration unit for the Eumont Gas Pool, subject to the provisions of the Special Rules and Regulations for the Eumont Gas Pool, as set forth in Order No. R-320.

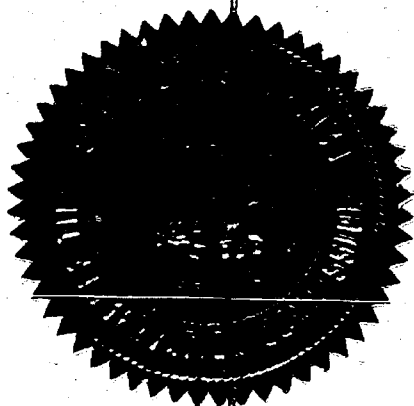
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


EDWIN L. MECHEM, Chairman


MURRAY E. MORGAN, Member


A. L. PORTER, Jr., Member & Secretary



ir/

OIL CONSERVATION COMMISSION
P. O. BOX 871
SANTA FE, NEW MEXICO

August 1, 1958

Mr. Jason Kellahin
Kellahin & Fox
Box 1713
Santa Fe, New Mexico

Dear Mr. Kellahin:

On behalf of your client, Phillips Petroleum Company, we enclose two copies of Orders R-1225 and R-1226 issued July 29, 1958, by the Oil Conservation Commission in Cases 1469 and 1470, respectively, which were both heard on June 11th at Santa Fe before an examiner.

Very truly yours,

A. L. Porter, Jr.
Secretary - Director

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OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Date 7-18-58

CASE NO. 1470

HEARING DATE 6-11-58 9 am

DSN @ SF

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

Enter an order in the subject case authorizing the formation of a 240-acre unit comprising the NE/4 and E/2 NW/4 of Section 12, T 19 S, R 36 E Emmet gas Pool Rea County, New Mexico, said unit to be dedicated to applicants monument well no 1, located in the SE/4 NE/4 of said section 12. (currently the NE/4 of said section 12 is dedicated to this well) Applicant has requested a nonstandard ^{320 acre} and 1 proration unit comprising the N/2 of Section 12. ~~which should be denied because~~ the gas oil contact in the Penrose member of the Queen band passes through this acreage and there is grave doubt in my mind as to whether it is reasonable to presume that the entire acreage is productive of gas. The 80 acres in the W/2 NW/4 is most likely productive of oil only if hydrocarbons are present and may produce nothing in the NW/4 NW/4

Staff Member
J. H. Hines, Examiner

DOCKET: EXAMINER HEARING JUNE 11, 1958

Oil Conservation Commission 9 a.m., Mabry Hall, State Capitol, Santa Fe, NM

The following cases will be heard before Daniel S. Nutter, Examiner:

- CASE 1337: Application of Gulf Oil Corporation for an order amending Order R-1093. Applicant, in the above-styled cause, seeks an order amending Order R-1093 to provide for the commingling, in exception to Rule 303, but only after separate measurement, of oil produced from the Fusselman, Ellenburger, and McKee formations underlying its Learcy McBuffington Lease, comprising the S/2 of Section 13, Township 25 South, Range 37 East, Lea County, New Mexico, and the transfer of said production by means of automatic custody transfer equipment, in exception to Rule 309 (a); applicant also seeks authority to commingle the production, after separate measurement, from the Blinebry and Drinkard formations and the Langlie-Mattix Pool underlying the above-described McBuffington Lease, and to transfer said production by means of automatic custody transfer equipment. Applicant further seeks authority to produce more than 16 wells into each of the common transfer facilities described above, in exception to Rule 309 (a).
- CASE 1341: Application of Jal Oil Company, Inc. for an oil-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Sarkeys Well No. 2, located 660 feet from the North and West lines of Section 25, Township 21 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Blinebry Oil Pool and oil from the Tubb Gas Pool through parallel strings of tubing.
- CASE 1464: Application of Amerada Petroleum Corporation for an oil-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its Ida Wimberley Well No. 3, located 1960 feet from the South line and 990 feet from the West line of Section 24, Township 25 South, Range 37 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Fusselman adjacent to the Justis-Fusselman Pool, and oil from the Drinkard formation adjacent to the Justis-Drinkard Pool through parallel strings of tubing.
- CASE 1465: Application of Magnolia Petroleum Company for an oil-oil dual completion. Applicant, in the above-styled cause, seeks an order authorizing the dual completion of its New Mexico "S" No. 1 Well, located 990 feet from the North line and 1650 feet from the East line of Section 2, Township 16 South, Range 32 East, Lea County, New Mexico, in such a manner as to permit the production of oil from the Wolfcamp formation adjacent to the Anderson Ranch-Wolfcamp Pool and oil from the Anderson Ranch-Devonian Pool through parallel strings of tubing.

CASE 1466: Application of Tidewater Oil Company for an exception to Rule 309 of the Commission Rules and Regulations. Applicant, in the above-styled cause, seeks an order authorizing the installation of automatic custody transfer equipment with positive displacement meters and automatic sampling equipment and other related facilities to receive, measure, and transfer custody of oil from the Justis-Ellenburger Pool produced from the wells located on its Coates "C" Lease, which comprises the E/2, SE/4 NW/4, and NE/4 SW/4 of Section 24, Township 25 South, Range 37 East, Lea County, New Mexico.

CASE 1467: Application of Continental Oil Company for the establishment of a new Tubb gas pool and for the promulgation of special rules and regulations. Applicant, in the above-styled cause, seeks an order establishing a new pool for Tubb gas production to be designated as the Warren-Tubb Gas Pool with horizontal limits consisting of the E/2 of Section 28, Township 20 South, Range 38 East, Lea County, New Mexico. The applicant further seeks the promulgation of special pool rules similar to those adopted for the Tubb Gas Pool, as set forth in Order R-586, subject to modification of certain of said rules. *R-586*

CASE 1468: Application of Continental Oil Company for the establishment of a new Blinebry gas pool and for the promulgation of special rules and regulations. Applicant, in the above-styled cause, seeks an order establishing a new pool for Blinebry gas production to be designated as the Warren-Blinebry Gas Pool with horizontal limits consisting of the E/2 of Section 28, Township 20 South, Range 38 East, Lea County, New Mexico. The applicant further seeks the promulgation of special pool rules similar to those adopted for the Blinebry Gas Pool, as set forth in Order R-610, subject to modification of certain of said rules.

CASE 1469: Application of Phillips Petroleum Company for a non-standard gas proration unit. Applicant, in the above-styled cause, seeks an order establishing a 320-acre non-standard gas proration unit in the Eumont Gas Pool consisting of the S/2 of Section 14, Township 19 South, Range 36 East, Lea County, New Mexico, said unit to be dedicated to the applicant's Bern "A" Well No. 1, located 660 feet from the South and East lines of said Section 14.

CASE 1470: Application of Phillips Petroleum Company for a non-standard gas proration unit. Applicant, in the above-styled cause, seeks an order establishing a 320-acre non-standard gas proration unit in the Eumont Gas Pool consisting of the N/2 of Section 12, Township 19 South, Range 36 East, Lea County, New Mexico, said unit to be dedicated to the applicant's Monument Well No. 1, located 1977 feet from the North line and 660 feet from the East line of said Section 12.

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.

wp

BEFORE THE
OIL CONSERVATION COMMISSION OF
NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
PHILLIPS PETROLEUM COMPANY FOR AN
EXCEPTION TO RULE 5(a) OF THE SPECIAL
POOL RULES FOR THE EUMONT GAS POOL FOR
APPROVAL OF A NON-STANDARD PRORATION
UNIT OF 320 ACRES, CONSISTING OF THE
N/2 Sec. 12, T. 19 S., R. 36 E., NMPM.

APPLICATION

Comes now Phillips Petroleum Company and applies to the Oil Conservation Commission of New Mexico for an order approving a non-standard gas proration unit consisting of the N/2 of Section 12, Township 19 South, Range 36 East, N.M.P.M., as an exception to the pool rules for the Eumont Gas Pool, Lea County, New Mexico, said unit to be dedicated to applicant's Monument No. 1 Well, and in support thereof would show:

1. That the Monument Well No. 1 is located 1977 feet from the north line, and 660 feet from the east line of said Section 12, and is completed for production of gas from the Eumont Gas Pool.

2. That the proposed non-standard unit consists of contiguous quarter-quarter sections, and lies wholly within a single governmental section.

3. The length and width of the proposed non-standard gas proration unit does not exceed 5280 feet.

4. That no part of the proposed non-standard unit is dedicated to a gas well in the Eumont Gas Pool; that all of the acreage may reasonably be presumed to be productive of gas from the Eumont Gas Pool; and that said acreage should be allocated to a gas well in the interest of prevention of waste and the protection of correlative rights.

5. That the most practical and economical method of allocating said acreage for Eumont Gas Pool production is to establish a 320-acre non-standard gas proration unit as described above, for allocation to the Monument No. 1 well

Docket Mailed
5-27-52 R

6. That the Monument No. 1 Well was drilled and completed on April 20, 1953, in conformity with the then existing spacing regulations of the Oil Conservation Commission of New Mexico.

WHEREFORE Applicant prays that this application be set for hearing before the Commission's duly appointed examiner at as early a date as may be practical, and that after notice and hearing as required by law, the Commission enter its order approving a non-standard proration unit consisting of the N/2 of Section 12, Township 19 South, Range 36 East, N.M.P.M., for the production of gas from the Kumont Gas Pool, and for such other and further order or orders of the Commission as may be necessary and proper in the premises.

Respectfully submitted,

PHILLIPS PETROLEUM COMPANY

CARL W. JONES
P. O. Box 791
Midland, Texas

KELLAHIN & FOX
P. O. Box 1713
Santa Fe, New Mexico

By Jason W. Kellahin
Jason W. Kellahin

Attorneys for Applicant
Phillips Petroleum Company