

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. 11334  
ORDER NO. R-5771-D*

**APPLICATION OF PHILLIPS PETROLEUM  
COMPANY FOR A DETERMINATION IN  
ACCORDANCE WITH SECTION 70-2-33(H),  
NMSA (1978) OF THE PROPORTIONATE  
S H A R E   O F   R E C O V E R A B L E  
HYDROCARBONS AND FOR THE ADOPTION  
OF A SPECIAL OIL ALLOWABLE FOR THE  
SOUTH PETERSON-FUSSELMAN POOL,  
ROOSEVELT COUNTY, NEW MEXICO.**

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on July 27, 1995, at Santa Fe, New Mexico,  
before Examiner Michael E. Stogner.

NOW, on this 31st day of July, 1995, the Division Director, having considered 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) By Division Order No. R-5771, dated July 17, 1978, the South Peterson-  
Fusselman Pool was defined and created for the production of oil from the Fusselman formation.  
The horizontal limits for said pool, as currently designated, include the following described lands  
in Roosevelt County, New Mexico:

TOWNSHIP 5 SOUTH, RANGE 32 EAST, NMPM

Section 25:           SE/4  
Section 36:           NE/4

TOWNSHIP 5 SOUTH, RANGE 33 EAST, NMPM

Section 30: S/2  
Section 31: All

TOWNSHIP 6 SOUTH, RANGE 33 EAST, NMPM

Section 1: Lots 3 and 4  
Section 2: All  
Section 3: Lots 1 and 2  
Section 10: NE/4

(3) Said Order No. R-5771, as amended by Division Order No. R-5771-A, promulgated special rules and regulations for the South Peterson-Fusselman Pool which established 80-acre spacing and proration units and designated well location requirements. This pool is operated under these special rules and regulations and the General Rules of the Division which set a depth bracket allowable for an 80-acre unit of 267 barrels of oil per day and a limiting gas/oil ratio of 2,000 cubic feet of gas per barrel of oil which results in a casinghead gas allowable of 534 MCF per day.

(4) Division Order No. R-5771-B, issued in Case 10994 and dated November 3, 1994, denied an application of Ensearch Exploration, Inc. for a special depth bracket oil allowable for the subject pool of 500 barrels of oil per day.

(5) In *de novo* Case 10994, the New Mexico Oil Conservation Commission by Order No. R-5771-C, dated April 18, 1995, overruled the Division's decision issued in said Order No. R-5771-B and established retroactive to June 1, 1994 a special depth bracket oil allowable in the South Peterson-Fusselman Pool for a standard 80-acre unit of 500 barrels of oil per day.

(6) The applicant in the immediate case, Phillips Petroleum Company, now seeks a determination, in accordance with Section 70-2-33(H), NMSA (1978) of the proportionate share of recoverable hydrocarbons to be allocated to each spacing and proration unit in the South Peterson-Fusselman Pool. Further, the applicant seeks the adoption of a special depth bracket oil allowable for the subject pool of 267 barrels of oil per day for a standard 80-acre oil spacing and proration unit.

(7) On July 25, 1995, the Division, acting on a motion filed by Ensearch Exploration, Inc., has caused this case to be dismissed.

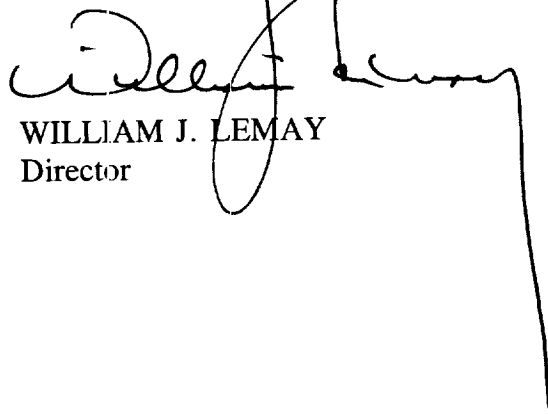
IT IS THEREFORE ORDERED THAT:

Case No. 11334 is hereby dismissed.

Case No. 11334  
Order No. R-5771-D  
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DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

A handwritten signature in black ink, appearing to read 'William J. Lemay', is written over the printed name. The signature is fluid and cursive, with a long vertical line extending downwards from the end of the name.

WILLIAM J. LEMAY  
Director

S E A L