

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. 853  
Order No. R-589-A

IN THE MATTER OF THE APPLICATION OF  
PHILLIPS PETROLEUM COMPANY FOR A  
PERMANENT ORDER GRANTING AN  
EXCEPTION TO RULE 104 OF THE RULES  
AND REGULATIONS OF THE NEW MEXICO  
OIL CONSERVATION COMMISSION TO ALLOW  
THE DRILLING OF A WELL LOCATED IN THE  
CENTER OF NW/4 SE/4 OF SECTION 28,  
TOWNSHIP 25 SOUTH, RANGE 37 EAST, NMPM,  
LEA COUNTY, NEW MEXICO; AND TO APPROVE  
A DRILLING UNIT OF LESS THAN 40 ACRES.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at Santa Fe, New Mexico, on this 10th day of March, 1955, on the application of Phillips Petroleum Company pursuant to an emergency order heretofore issued by the Commission, for approval of a well location 660 feet east of the west line, and 660 feet south of the north line of the southeast quarter of Section 28, Township 25 South, Range 37 East, NMPM, and for approval of a drilling unit of less than 40 acres as an exception to the provisions of Rule 104 of the Rules and Regulations of the New Mexico Oil Conservation Commission, hereinafter referred to as the Commission.

NOW, on this 10<sup>th</sup> day of March, 1955, the Commission, a quorum being present, having considered all of the testimony and exhibits offered at said hearing and being fully advised in the premises,

FINDS:

(1) That the Commission on February 24, 1955, entered its emergency order No. R-589, granting Phillips Petroleum Company authority to commence drilling of a well located 660 feet east of the west line and 660 feet south of the north line of the southeast quarter of Section 28, Township 25 South, Range 37 East, NMPM, and approving a drilling unit of less than 40 acres for said well.

(2) That as a result of said emergency order, this matter was set for hearing and that notice has been given as required by law.

(3) That Phillips Petroleum Company is the owner of a three-fourths undivided working interest in the north 60 acres of the southeast

*Entered March 10, 1955*

*W. J. M.*

quarter of Section 28, Township 25 South, Range 37 East, NMPM, and that the one-fourth interest outstanding is owned or controlled 98 per cent by C. B. Wrightsman of Houston, Texas, and the other 2 per cent by numerous other owners.

(4) That the royalty ownership under the two Phillips leases is as follows:

(a) Harry Leonard, Roswell, New Mexico -  $1/4$  of  $1/8$

(b) S. M. Gloyd, Oklahoma City, Okla. -  $3/8$  of  $1/8$

(c) Saunders Estate, Roswell, N. M. -  $1/8$  of  $1/8$

(5) That the Harry Leonard and Saunders lease would expire by its terms February 28, 1955, unless a well were first commenced prior to that date, and that the Gloyd lease would expire by its terms March 13, 1955, unless a well were first commenced prior to that date.

(6) That Anderson-Prichard Oil Corporation has drilled a well, designated as the Anderson-Prichard Oil Corporation No. 1 American Republic Federal, located 1980 feet from the south line and 1980 feet from the west line of Section 28, Township 25 South, Range 37 East, NMPM, which well was completed for the production of gas from the Devonian formation, and which well is located more than one mile from the boundaries of any defined gas pool and no pool rules have been set up covering this area.

(7) That as a result of said well, Phillips Petroleum Company and its lessors could possibly suffer drainage.

(8) That Phillips Petroleum Company has made diligent efforts to communitize its acreage with other acreage to form an orthodox drilling unit, and has sought an extension of its leases, but has been unable to do so.

(9) That unless an exception is granted to the provisions of Rule 104, and the location of applicant's well is approved, applicant will be deprived of the right to recover its just and equitable share of the oil or gas, or both, underlying its lands.

(10) That approval of applicant's application is in the interests of conservation, and that correlative rights will be protected.

IT IS THEREFORE ORDERED:

(1) That the location of the Phillips Petroleum Company well, 660 feet east of the west line and 660 feet south of the north line of the south-east quarter of Section 28, Township 25 South, Range 37 East, NMPM is hereby approved.



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(2) That the tract encompassing the north half of the northwest quarter of the Southeast quarter, and the north half of the South half of the northwest quarter of the southeast quarter is approved as a drilling unit for the purposes of this well.

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

*John F. Simms*  
JOHN F. SIMMS, Chairman

*E. S. Walker*  
E. S. WALKER, Member

*W B Macey*  
W. B. MACEY, Member and Secretary

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