

CASE 5482: PHILLIPS PETROLEUM COMPANY
FOR AN UNORTHODOX GAS WELL LOCATION
AND SIMULTANEOUS DEDICATION, LEA COUNTY

CASE No.

5482

Application,

Transcripts,

Small Exhibits

ETC.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
14 May 1975

EXAMINER HEARING

IN THE MATTER OF:)
)

Application of Phillips Petroleum Company)
for an unorthodox gas well location and)
simultaneous dedication, Lea County, New)
Mexico. Applicant, in the above-styled)
cause, seeks approval for the unorthodox) NO. 5482
location of its Lusk Deep Unit "A" Well)
No. 1 located in Unit A, of Section 19,)
Township 19 South, Range 32 East, Lusk-)
Morrow Gas Pool, Lea County, New Mexico,)
and the simultaneous dedication of said)
Section 19 to the above well and to)
applicant's Lusk Deep Unit "A" Well No.)
5 located in Unit J of said Section 19.)

BEFORE: Daniel S. Nutter, Examiner.

For the New Mexico Oil
Conservation Commission:

William F. Carr, Esq.
Legal Counsel for the Com-
mission
State Land Office Building
Santa Fe, New Mexico 87501

For the Applicant,
Phillips Petroleum
Company:

Tom Kellahin, Esq.
KELLAHIN & FOX
500 Don Gaspar
Santa Fe, New Mexico 87501

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I N D E X

Testimony of William J. Mueller

Direct Examination by Mr. Kellahin

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E X H I B I T S

Exhibits One through Five

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MR. NUTTER: Case 5482.

MR. CARR: Case 5482. Application of Phillips Petroleum Company for an unorthodox gas well location and simultaneous dedication, Lea County, New Mexico.

MR. KELLAHIN: If the Examiner please, I'd like the record to reflect the same appearance and the same witness and that he's qualified as an expert and continues under oath.

MR. NUTTER: The record will so show.

WILLIAM J. MUELLER,

being called as a witness and being duly sworn upon his oath, testified as follows, to-wit:

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Would you please refer to what's been marked as Exhibit Number One, identify it, and state what Phillips is seeking?

A Exhibit Number One is a portion of the Lusk Field in Eddy and Lea Counties, New Mexico, showing the location of the Phillips Petroleum Company operated Lusk Deep Unit "A" Number 1. This well, we request permission as an exception in the Lusk-Morrow Field Rules to deepen

this well 1400 feet and complete it in the Morrow. It would be an unorthodox location by the field rules and also to permit simultaneous dedication of the section, Section 19, to Number 1 and the Number 5, which is currently producing. The Number 5 in Section 19 is located in the Unit J there.

Q Would you describe the status of the surrounding wells from the subject well?

A The only wells currently producing in the Lusk Deep Unit "A" are the Number 5 Morrow, the Number 8 Strawn, over in the southeast corner, quarter of Section 24, and the Number 1 is currently completed in the Bone Springs-Strawn but it's not been produced for several months, in the years, I think, since we took it over.

Phillips acquired operations of the Lusk Deep Unit "A" from El Paso for net salvage value in December the 1st of 1973. Since then we have drilled Well Number 12 "A", located in the northeast quarter of Section 20, 19 South, 32 East, to the Morrow. Through our initial test it flowed 2.6 million per day with 6 barrels of condensate. The well has not been potential and is currently shut in awaiting pipeline connection. We now currently have at this time are drilling Well Number 13 located in

the southeast quarter of Section 18, 19 South, 32 East.

We're currently drilling at about 10,000 feet there.

MR. NUTTER: Wait a minute, I'm having trouble finding that one. Oh, I see it now, okay, in the southwest quarter of Section 18.

A Excuse me, yes. All the other wells in the Lusk Deep Unit have been plugged and abandoned by El Paso prior to our acquisition.

MR. NUTTER: Now, does the Lusk Deep Unit include the Strawn formation?

A Yes.

MR. NUTTER: And the Morrow?

A Right. All formations. Excuse me, all formations, I believe, below the Yates. The cost to drill the Lusk Deep Unit Number 12 was approximately \$517,000 and the current estimated cost to drill the Lusk Deep Unit 13 is \$466,000. The attractiveness of being able to deep take the Lusk Deep Unit Number 1 that is complete with 7 inch casing to the Morrow at a cost of \$171,000 is a relative economic, we can get to the pay zone with one-third the cost.

Q Please refer to Exhibit Two and identify it.

A Exhibit Number Two is a sonic log of the El

Paso Lusk Deep Unit Number 1 - the copy shows the well as El Paso - this is the discovery well for the Lusk Strawn, showing its current perforated intervals in the Bone Spring at 8759 to 8777, colored in blue, should be the Bone Spring that is currently open in this well and the Strawn perforations are from 11,168 to 193, and they are colored orange. That is the two intervals currently open in this well. We propose to squeeze both off.

Q Please refer to Exhibit Number Three and identify it.

A Exhibit Number Three is a diagrammatic sketch of the proposed Morrow completion in the Lusk Deep Unit "A" Well Number 1. It shows surface pipe set at -- 13 and 3/8ths set at 835. We have a 9 and 5/8ths set at 5445; a cement circulator on both those strings. We have a 7 inch set at 11,232 with the top of the cement at 6245. Phillips proposes to take the well 11,232 deepening it 1400 feet to approximately 12,600, running a 5 inch OD liner that will extend back above the squeezed Strawn perforations, set a packer and run 2 and 3/8ths inch tubing and complete in the Morrow for an estimated Morrow perforation interval of 12,200 to 12,440.

Q Please refer to Exhibit Four and identify it.

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A Exhibit Number Four is a cross section of the Morrow Sand interval in the Lusk Deep Unit "A". This cross section runs on your left from the Lusk Number 5, which is currently producing, it has a small map scale here at the -- located on the cross section too. It proceeds from here north to Lusk Deep Unit Number 2, which is plugged and abandoned; then southeasward through the proposed deepening of the Lusk 1; into the Lusk Number 3, which has been plugged and abandoned; over to the Lusk Deep Unit "A" Number 12. Essentially this cross section shows all the Morrow completions we currently -- or have and have had on the Lusk Deep Unit. Of particular note here is the Lusk Deep Unit "A" Number 5 on the far left side has perforated approximately 15 feet of perforations, 12,400 to 412. It has produced approximately cumulative 7.3 billion cubic feet of gas from that small zone and still produces at a rate in excess of a million per day. Now this zone is colored in green on the cross section and immediately by the green zone you'll see zones that are colored in blue and in our analysis of the logs and working this area indicates that these are all potential unperforated and untreated Morrow Sands that are in this well, and that they will be opened and treated

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prior to abandonment. And it is in carrying it across this cross section, that is what stirred Phillips interest to purchase this property; is that here again Lusk Deep Unit Number 2, the next well on the cross section, you see that only a small green zone in the bottom was perforated; that this well produced a cumulative 3.2 billion cubic feet and was abandoned without ever testing the other zones up the hole marked in blue there. And proceeding again across the cross section over to the Lusk Deep Unit Number 3, the green zone perforated there was completed and actually never treated and that zone produced cumulative approximately half a billion with 38,000 barrels of condensate. We feel that there is substantial additional reserves left in that sand interval plus the two intervals that have never been perforated and tested. Then going on across the cross section you come to the Lusk Number 2 Well, the Lusk Number 12, and you can see the small interval that is perforated right in the bottom of it currently for a natural completion from 684 to 696, 12 feet; like I said, the only testing that was done on it, we ran the tubing Saturday, and Sunday they flowed it for three hours and it -- and by Sunday morning it had 3750 pounds of tubing pressure on it. In three hours

she flowed at the rate of 2.6 million and 6 barrels of condensate, and I would estimate calculated open flow would probably be in the neighborhood of 5 million with a hundred barrels of condensate a day. For the Lusk Deep Number 1 "A" deepening we estimate there's approximately 2 billion cubic feet of gas that could be recovered from the Morrow dislocation that would be unrecoverable from the other completions here.

Q Please refer to Exhibit Number 5 and identify it.

A Exhibit Number 5 is a tabulation of the annual Morrow production obtained on the Lusk Deep Unit "A" Well Number 2, Number 3, and Number 5. This exhibit shows that the oil wells went on production in 1966; that the three produced the first two years, 1966 and '67, was subsequently plugged and abandoned. Well Number 2 produced in excess of 1 billion cubic feet of gas between 1967 and '68; then declined rapidly into 1970 where it only made 62 million and was subsequently abandoned. The Well Number 5 produced 1 billion plus, 1 billion plus in 1967 and declined to 876 million in '68, and then I believe it's in '69 or '70 that this well was fracture treated and has continued to produce on to this day. Of interest

is the bottom hole pressure data. In the well records of El Paso we found where a bottom hole pressure bond had been run in both Well Number 5 and Well Number 2 prior to the time these wells went on production and the bottom hole pressure was 5201 in one and 5208 in the other. The bottom hole pressure we measured in Well Number 12 is 5440 after all these other years.

We specifically request an exception to, I think it's Rule Two and Three of the Lusk Deep -- excuse me, of the Lusk-Morrow Gas Pool Rules, New Mexico Oil Commission Order R-2373. Rule Two says we must have 640 continuous acreage for a proration unit, so we would like simultaneous acreage dedication of the Number 1 and Number 5 to the 640 acres in Section 19; and Rule Three of the Special Rules and Regulations requires us to be located within 330 feet of the outer boundary of the SW/4 NE/4 NW/4 SE/4 NE/4 SW/4 SE/4 NW/4, which in essence says we can't get closer than 1650 feet to the lease line.

MR. NUTTER: That's the four interior quarters, is that right?

A Right; so we have to request an exception to that as an unorthodox location, since we will be located 660 feet from the lease line.

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Q Mr. Mueller, were Exhibits One through Five either prepared by you directly or compiled under your direction and supervision?

A Yes, sir.

Q In your opinion, Mr. Mueller, will the granting of this application be in the best interests of conservation, prevention of waste, and the protection of correlative rights?

A Yes, sir.

MR. KELLAHIN: If the Examiner please, we move the introduction of Exhibits One through Five.

MR. NUTTER: One through Five will be admitted.

MR. KELLAHIN: That concludes our direct examination.

MR. NUTTER: These pool rules weren't an exhibit, were they?

MR. KELLAHIN: No, sir, I just furnished those.

MR. NUTTER: Does anyone have any questions of this witness?

(No response.)

MR. NUTTER: He may be excused. Do you have anything further, Mr. Kellahin?

MR. KELLAHIN: No, sir.

MR. NUTTER: WE'll take the case under advisement.
(Hearing concluded.)

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STATE OF NEW MEXICO)

) SS

REPORTER'S CERTIFICATE

COUNTY OF SANTA FE)

I, Sally Walton Boyd, Notary Public and General Court Reporter, Santa Fe, New Mexico, DO HEREBY CERTIFY that the facts stated in the caption hereto are true and correct; that I reported the captioned proceedings; that the foregoing 11 pages, numbered 1 through 11, is a full, true and correct transcript of my notes taken during the course of the hearing.

WITNESS my hand this 24th day of May, 1975, at Santa Fe, New Mexico.

Sally Walton Boyd
Sally Walton Boyd
Notary Public and General Court
Reporter

My Commission expires:

10 September 1975

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 5482
heard by me on 5/14, 1975.

[Signature], Examiner
New Mexico Oil Conservation Commission

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OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
P. O. BOX 2088 - SANTA FE

87501

I. R. TRUJILLO
CHAIRMAN

**LAND COMMISSIONER
PHIL R. LUCERO
MEMBER**

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

May 22, 1975

Mr. Tom Kellahin
Kellahin & Fox
Attorneys at Law
Post Office Box 1769
Santa Fe, New Mexico

Re: CASE NO. 5482

ORDER NO. R-5028

Applicant:

Phillips Petroleum Co.

Dear Sir:

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

Very truly yours,

A. H. Porter, Jr.

A. L. PORTER, Jr.
Secretary-Director

ALP/ir

Copy of order also sent to:

Hobbs OCC	<u> x </u>
Artesia OCC	<u> </u>
Aztec OCC	<u> </u>

Other _____

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. 5482
Order No. R-5028

APPLICATION OF PHILLIPS PETROLEUM
COMPANY FOR AN UNORTHODOX GAS WELL
LOCATION AND SIMULTANEOUS DEDICATION,
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on May 14, 1975,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this 22nd day of May, 1975, the Commission, a
quorum being present, having considered the testimony, the
record, and the recommendations of the Examiner, 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 owner and operator of the Lusk Deep Unit "A" Well No. 1,
located at an unorthodox location in Unit A of Section 19,
Township 19 South, Range 32 East, Lusk-Morrow Gas Pool,
Lea County, New Mexico.

(3) That the applicant seeks approval for the simultaneous
dedication of said Section 19 to the above well and to
applicant's Lusk Deep Unit "A" Well No. 5 located in
Unit J of said Section 19.

(4) That approval of the application will better enable
the applicant to produce the gas under Section 19 and will
otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Phillips Petroleum Company, is
hereby given approval for the unorthodox location of its
Lusk Deep Unit "A" Well No. 1 located in Unit A of Section 19,
Township 19 South, Range 32 East, NMPM, Lusk-Morrow Gas Pool,
Lea County, New Mexico.

-2-

Case No. 5482
Order No. R-5028

(2) That the applicant is further authorized to dedicate Section 19 simultaneously to its Lusk Deep Unit "A" Well No. 5 located in Unit J and its Lusk Deep Unit "A" Well No. 1 located in Unit A, both in Section 19, Township 19 South, Range 32 East, NMPM, Lea County, New Mexico.

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



[Signature]
I. R. TRUJILLO, Chairman

[Signature]
PHIL R. LUCERO, Member

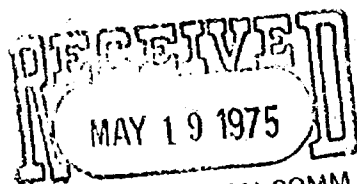
[Signature]
A. L. PORTER, Jr., Member & Secretary

S E A L

dr/

JASON W. KELLAHIN
ROBERT E. FOX
W. THOMAS KELLAHIN

KELLAHIN AND FOX
ATTORNEYS AT LAW
500 DON GASPAR AVENUE
POST OFFICE BOX 1769
SANTA FE, NEW MEXICO 87501



Santa Fe PHONE 992-4315
AREA CODE 505

May 16, 1975

New Mexico Oil Conservation Commission
Post Office Box 2088
Santa Fe, New Mexico

ATTENTION: Mr. Dan Nutter

Re: NMOCC Case No. 5482
Heard May 14, 1975

Dear Dan:

At the hearing of Phillips Petroleum Company's application in the above referenced case, I failed to inform you that the lease involved is due to expire on June 1, 1975.

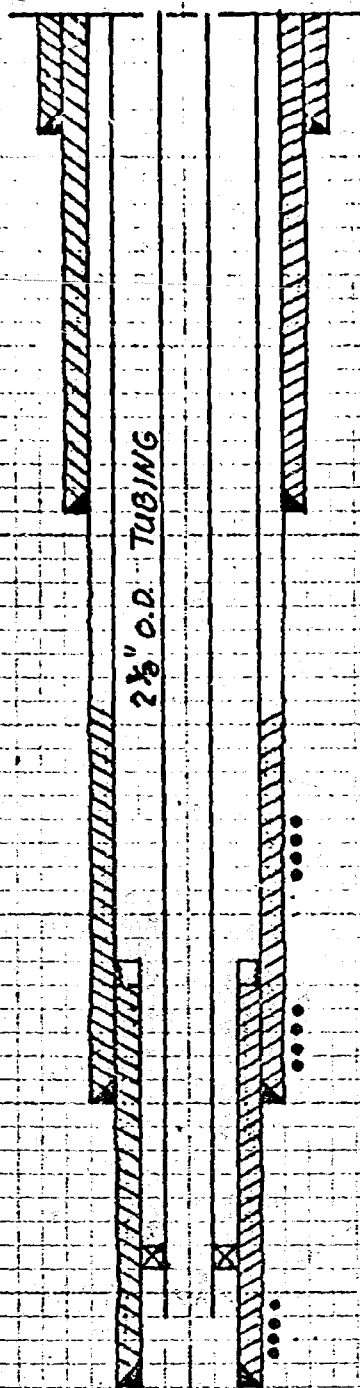
We therefore would appreciate your efforts in having an order before that date.

Very truly yours,


W. Thomas Kellahin

WTK:ksh

cc: Mr. Bill Mueller



13-3/8" O.D. @ 835', 450 SX.

9-5/8" O.D. @ 5445', DV @ 2717'
 1ST 475 SX
 2ND 560 SX CIRC.

TOC - 6245'

BONE SPRINGS: 8759-8777', SQUEEZED

TIW HANGER @ 10,900'

STRAWN: 11,168'-11,193', SQUEEZED

7" O.D. @ 11,232' DV @ 8950'
 1ST 430 SX, 2ND 385 SX
 TOC 6245'

PACKER @ 12,100' w/ TBG ANCHOR SEAL ASSY. ON TOP AND
 2-187" PROFILE SEATING NIPPLES

MORROW: 12,200-12,210; 12,335-12,345; 12,430-12,440
 5" O.D. @ 12,600', 125 SX CIRC TO TOP OF LINER

BEFORE EXAMINER NUTTER
 OIL CONSERVATION COMMISSION
 EXHIBIT NO. 3
 CASE NO. 5482

NO.	REVISION	BY	DATE	CHKD	APP'D
FOR BIDS		PHILLIPS PETROLEUM COMPANY		AFE NO.	FILE CODE
FOR APPR		BARTLESVILLE, OKLAHOMA			
FOR CONST		LUSK DEEP UNIT A- Well No. 1		SCALE NONE UNLESS OTHERWISE NOTED	
DESIGN	SV	PROPOSED RECOMPLETION IN THE MORROW		DWG NO.	
DRAWN		LEA COUNTY, NEW MEXICO		SH NO.	
CHECKED					
APP'D					

LUSK DEEP UNIT "A" MORROW PRODUCTION
Lusk Morrow Field, Lea and Eddy Counties, New Mexico
Phillips Petroleum Company, ET AL

Year	Well No. 2 0-18-19S-32E		Well No. 3 E-20-19S-32E		Well No. 5 J-19-19S-32E	
	Gas—Mcf	Cond.—Bbls.	Gas—Mcf	Cond.—Bbls.	Gas—Mcf	Cond.—Bbls.
1966	69,971	5,683	143,362	8,470	108,057	3,348
1967	1,160,104	39,583	346,439	29,216	1,024,960	25,442
1968	1,251,888	31,384	-	-	876,856	22,641
1969	669,972	15,125	P & A		1,301,950	19,631
1970	62,486	1,021			1,275,609	17,383
1971	-	-			879,120	10,877
1972	P & A				716,579	7,740
1973					614,836	5,439
1974					473,637	4,221
Cum.	3,214,421	92,796	489,801	37,686	7,271,612	116,722

BEFORE EXAMINER NUTTER
OIL CONSERVATION COMMISSION
Phillips EXHIBIT NO. 5
CASE NO. 5480

LUSK-MORROW GAS POOL
Lea County, New Mexico

Order No. R-2373, Creating and Adopting Temporary Operating Rules for the Lusk-Morrow Gas Pool, Lea County, New Mexico, November 21, 1962.

Order No. R-2373-A, May 13, 1964, extends existing rules for one year and requires reconsideration at an examiner hearing in May, 1965.

Order No. R-2373-B, May 19, 1965, makes permanent the temporary rules adopted in Order No. R-2373.

Application of El Paso Natural Gas Company for the creation of a new Gas Pool and establishment of Special Rules and Regulations, Lea County, New Mexico.

CASE NO. 2691
Order No. R-2373

ORDER OF THE COMMISSION

BY THE COMMISSION: This cause came on for hearing at 9 o'clock a.m. on November 8, 1962, 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 21st day of November, 1962, 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 a new gas pool for Morrow production should be created and designated the Lusk-Morrow Gas Pool.

(3) That since March, 1961, the date of the first completion in the Morrow formation in the proposed pool, several wells have subsequently been completed in the Morrow formation and are capable of producing gas therefrom.

(4) That El Paso Natural Gas Company seeks the promulgation of temporary special rules and regulations for the Lusk-Morrow Gas Pool to provide for 640-acre gas proration units and the allocation of allowables to non-marginal wells in the proportion that each well's acreage factor bears to the total of the acreage factors for all non-marginal wells in the subject pool.

(5) That the evidence presented concerning the economic loss that will occur as a result of drilling of unnecessary wells justifies the establishment of 640-acre gas proration units in the subject pool for a temporary period of 18 months.

(6) That during the 18-month period in which this order will be in effect, all operators in the subject pool should gather all available information relative to drainage and recoverable reserves in said pool.

(7) That this case should be reopened at an examiner hearing in May, 1964, at which time the operators in the subject pool should be prepared to appear and show cause why the Lusk-Morrow Gas Pool should not be developed on 160-acre gas proration units.

IT IS THEREFORE ORDERED:

(1) That a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production is hereby created and

designated as the Lusk-Morrow Gas Pool consisting of the following-described area:

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM

Section 18: All
Section 19: All
Section 20: All
Section 29: All

(2) That Special Rules and Regulations for the Lusk-Morrow Gas Pool are hereby promulgated as follows:

**SPECIAL RULES AND REGULATIONS
FOR THE
LUSK-MORROW GAS POOL**

RULE 1. Each well completed or recompleted in the Lusk-Morrow Gas Pool or in the Morrow formation within one mile of the Lusk-Morrow Gas Pool, and not nearer to or within the limits of another designated Morrow pool, shall be spaced, drilled, operated, and produced in accordance with the Special Rules and Regulations hereinafter set forth.

RULE 2. Each well completed or recompleted in the Lusk-Morrow Gas Pool shall be located on a standard proration unit consisting of approximately 640 contiguous surface acres substantially in the form of a square which is a legal section of the United States Public Lands Survey. For purposes of these rules, a unit containing 632 through 648 acres shall be considered a standard unit.

RULE 3. Each well completed or recompleted in said pool shall be located not closer than 330 feet to the outer boundary of the SW/4 NE/4, NW/4 SE/4, NE/4 SW/4, or SE/4 NW/4 of the section. Any well drilling to or completed in the Strawn or Morrow formations on the date of this order is hereby granted an exception to the well location requirements of this rule.

RULE 4. For good cause shown, the Secretary-Director of the Commission may grant an exception to the requirements of Rule 2 without notice and hearing when the application is for a non-standard unit comprising less than 640 acres. All operators offsetting the proposed non-standard unit shall be notified of the application by registered or certified mail, and the application shall state that such notice has been furnished. The Secretary-Director of the Commission may approve the application if, after a period of 30 days, no offset operator has entered an objection to the formation of such non-standard unit.

The acreage factor assigned to any such non-standard unit shall bear the same ratio to a standard acreage factor in the Lusk-Morrow Gas Pool as the acreage in such non-standard unit bears to 640 acres.

RULE 5. In the event of subsequent prorationing of the Lusk-Morrow Gas Pool, the allowable assigned to a non-marginal well shall be in the same ratio that its acreage factor bears to the total of the acreage factors for all non-marginal wells in the pool.

RULE 6. The vertical limits of the Lusk-Morrow Gas Pool shall be the Morrow formation.

(3) That this case shall be reopened at an examiner hearing in May, 1964, at which time the operators in the subject pool may appear and show cause why the Lusk-Morrow Gas Pool should not be developed on 160-acre gas proration units.

(4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

Dockets Nos. 12-75 and 13-75 are tentatively set for hearing on May 28 and June 11, 1975. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - MAY 14, 1975

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING - SANTA FE, NEW MEXICO

The following cases will be heard before Daniel S. Nutter, Examiner, or Richard L. Stamets, Alternate Examiner.

- ALLOWABLE:
- (1) Consideration of the allowable production of gas from seventeen prorated pools in Lea, Eddy, Roosevelt and Chaves Counties, New Mexico, for June, 1975.
 - (2) Consideration of the allowable production of gas from five prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico, for June, 1975.

CASE 5429: (Continued from the March 5, 1975 Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Charles M. Goad and United States Fidelity & Guaranty Company and all other interested parties to appear and show cause why the Charles M. Goad, State No. 1 Well located in Unit M of Section 28, Township 2 South, Range 26 East, De Baca County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 5408: (Continued from the April 2, 1975 Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit W. E. Medlock and Reliance Insurance Company and all other interested parties to appear and show cause why the Queen Ridge No. 1 Well located in Unit M of Section 36, Township 10 South, Range 26 East, Chaves County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 5469: Application of Read & Stevens for an unorthodox gas well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox gas well location of a well to be drilled at a point 990 feet from the South and East line of Section 7, Township 15 South, Range 28 East, Chaves County, New Mexico, in exception to the Buffalo Valley-Pennsylvanian Gas Pool Rules.

CASE 5470: Application of Maralo, Inc. for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the Butler Springs Unit Area comprising 3841 acres, more or less, of state and federal lands in Townships 14 and 15 South, Range 28 East, Chaves County, New Mexico.

- CASE 5471: Application of Union Texas Petroleum for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Justis Blinbry and Justis Tubb-Drinkard production in the wellbore of its Carlson "B" Wells Nos. 1 and 2 located in Unit P of Section 23 and Unit H of Section 26, respectively, Township 25 South, Range 37 East, Lea County, New Mexico.
- CASE 5472: Application of Mesa Petroleum Co. for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox gas well location of a well to be drilled at a point 660 feet from the North and East line of Section 6, Township 26 South, Range 33 East, Red Hills Field, Lea County, New Mexico.
- CASE 5473: Application of Mesa Petroleum Co. for pool creation and special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of a new oil pool for Drinkard production for its West Knowles Well No. 1 located in Unit P of Section 34, Township 16 South, Range 37 East, Lea County, New Mexico, and for the promulgation of special rules therefore, including a provision for 80-acre spacing units.
- CASE 5474: Application of Gulf Oil Company for two non-standard locations and the amendment of Order Nos. R-2904 and R-2909, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Central Drinkard Unit Wells Nos. 101 and 401 located, respectively, 554 feet from the North line and 766 feet from the East line, and 660 feet from the North and East lines of Section 28, Township 21 South, Range 37 East, Drinkard Pool, Lea County, New Mexico. Applicant further seeks the amendment of Order No. R-2904 which order approved the Central Drinkard Unit Agreement to provide that the vertical limits of the unitized formation shall include the entire Drinkard formation; application further seeks the amendment of Order No. R-4909 which approved the Central Drinkard Unit Waterflood Project to provide an administrative procedure for the approval of additional unorthodox well locations.
- CASE 5475: Application of Mobil Oil Corporation for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Lower Siluro-Devonian formation in the open-hole interval from 12,188 feet to 12,525 feet in its Santa Fe Pacific Well No. 9, located in Unit E of Section 35, Township 9 South, Range 36 East, Crossroads Siluro-Devonian Pool, Lea County, New Mexico.
- CASE 5476: Application of Cities Service Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Wolfcamp formation underlying the NE/4 of Section 30, Township 22 South, Range 27 East, and in the Pennsylvanian formation underlying the E/2 of said Section 30, to be dedicated to a proposed gas well to be drilled at an orthodox location for both formations. Also to be considered will be the cost of drilling and completing said well and the allocation of such costs as well as actual operating costs and charges for supervision. Also to be considered will be the designation of the applicant as operator of the well and a charge for the risk involved in drilling said well.

- CASE 5477: Application of Cities Service Oil Company for compulsory pooling and an unorthodox location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formation underlying the W/2 of Section 18, Township 22 South, Range 27 East, South Carlsbad Field, Eddy County, New Mexico, to be dedicated to a well to be drilled at an unorthodox location for said unit 1650 feet from the South line and 1980 feet from the West line of said Section 18. Also to be considered will be the cost of drilling and completing said well and the allocation of such costs as well as actual operating costs and charges for supervision. Also to be considered will be the designation of the application as operator of the well and a charge for the risk involved in drilling said well.
- CASE 5478: Application of Continental Oil Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the dual completion of its Warren Unit Well No. 31 located in Unit O of Section 27, Township 20 South, Range 38 East, Lea County, New Mexico, in such a manner as to produce oil from the Blinbry Oil and Gas Pool and oil from the Warren-Tubb Gas Pool through parallel strings of tubing.
- CASE 5479: Application of Continental Oil Company for two non-standard gas proration units, two unorthodox locations, and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for a non-standard gas proration unit comprising Lots 1, 2, and 3 and Lots 6 through 11 of Section 4, Township 11 South, Range 36 East, Eumont Gas Pool, Lea County, New Mexico, to be dedicated to its Meyer B-4 Well No. 14 located in Unit G of said Section 4. Applicant further seeks approval of a 360-acre Eumont Gas proration unit comprising Lots 14, 15, and 16 and the SE/4 and E/2 SW/4 of said Section 4 to be simultaneously dedicated to its Meyer B-4 Well No. 4 and 29 at unorthodox locations in Units S and P, respectively, of said Section 4.
- CASE 5480: Application of Continental Oil Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Pennsylvanian formation through the perforated interval 7648 to 7690 feet in its SEMU Well No. 7 located in Unit F of Section 23, Township 20 South, Range 37 East, Cass-Pennsylvanian Gas Pool, Lea County, New Mexico.
- CASE 5481: Application of Phillips Petroleum Company for downhole commingling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of South Carlsbad-Atoka and South Carlsbad-Morrow gas production in the wellbore of its Tidwell-A "COM" Well No. 1 located in Unit E of Section 8, Township 23 South, Range 27 East, Eddy County, New Mexico.
- CASE 5482: Application of Phillips Petroleum Company for an unorthodox gas well location and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its Lusk Deep Unit "A" Well No. 1 located in Unit A of Section 19, Township 19 South, Range 32 East, Lusk-Morrow Gas Pool, Lea County, New Mexico, and the simultaneous dedication of said Section 19 to the above well and to applicant's Lusk Deep Unit "A" Well No. 5 located in Unit J of said Section 19.

CASE 5483: Application of Phillips Petroleum Company for a dual completion, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval to dually complete its Lusk Deep Unit "A" Well No. 12 located in Unit G of Section 20, Township 19 South, Range 32 East, Lusk Field, Lea County, New Mexico, in such a manner as to produce oil from the Wolfcamp formation through the casing-tubing annulus and gas from the Lusk-Morrow Gas Pool through tubing.

CASE 5484: Southeastern New Mexico nomenclature case calling for the creation and extension of certain pools in Lea, Eddy, and Chaves Counties, New Mexico and for the assignment of certain oil well discovery allowables.

(a) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Wolfcamp production and designated as the East Carlsbad-Wolfcamp Gas Pool. The discovery well is the Champlin Petroleum Co. Nix-Yates Well No. 1, located in Unit G of Section 2, Township 22 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM
Section 36: SW/4

TOWNSHIP 22 SOUTH, RANGE 27 EAST, NMPM
Section 1: NW/4
Section 2: NE/4

(b) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Wolfcamp production and designated as the Cemetery-Wolfcamp Gas Pool. The discovery well is the Read & Stevens, Inc. Allirish Well No. 1, located in Unit P of Section 30, Township 20 South, Range 25 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 25 EAST, NMPM
Section 30: SE/4

(c) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Strawn production and designated as the Crooked Creek-Strawn Gas Pool. The discovery well is the C & K Petroleum Inc. Lowe State Well No. 1, located in Unit C of Section 16, Township 24 South, Range 24 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 24 EAST, NMPM
Section 16: N/2

(d) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for San Andres production and designated as the Dickenson-San Andres Pool. The discovery well is the Hanson Oil Corporation Santa Fe Well No. 1, located in Unit F of Section 35, Township 10 South, Range 36 East, NMPM. Said pool would comprise:

TOWNSHIP 10 SOUTH, RANGE 36 EAST, NMPM
Section 35: NW/4

(e) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production and designated as the Golden Lane-Atoka Gas Pool. The discovery well is the Meadco Properties Ltd. Harris 6 Well No. 1, located in Unit I of Section 6, Township 21 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 21 SOUTH, RANGE 29 EAST, NMPM

Section 6: Lots 1, 2, 7, 8, 9, 10, 15, and 16

(f) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production and designated as the Grayburg-Atoka Gas Pool. The discovery well is the Horizon Oil & Gas Co. of Texas State 28 Com Well No. 2, located in Unit K of Section 28, Township 17 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 29 EAST, NMPM

Section 28: S/2

Section 29: E/2

(g) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Premier production and designated as the High Nitro-Premier Gas Pool. The discovery well is the McClellan Oil Corporation Hinkle Federal Well No. 1, located in Unit A of Section 9, Township 16 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 16 SOUTH, RANGE 29 EAST, NMPM

Section 3: SW/4

Section 4: SE/4

Section 9: NE/4

(h) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the Hoag Tank-Morrow Gas Pool. The discovery well is the Yates Petroleum Corporation Allison CQ Federal Well No. 1, located in Unit P of Section 22, Township 19 South, Range 24 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 24 EAST, NMPM

Section 22: E/2

(i) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the N. W. Indian Basin-Morrow Gas Pool. The discovery well is the Charles A. Dean Northwest Indian Basin Well No. 1Y, located in Unit K of Section 28, Township 20 South, Range 23 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 23 EAST, NMPM

Section 28: W/2

(j) CREATE a new pool in Chaves County, New Mexico, classified as an oil pool for San Andres production and designated as the Lonesome-San Andres Pool. The discovery well is the Phillips Petroleum Company Luther A Well No. 1 located in Unit N of Section 18, Township 8 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 8 SOUTH, RANGE 32 EAST, NMPM

Section 18: SW/4

(k) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Wolfcamp production and designated as the South Rocky Arroyo-Wolfcamp Gas Pool. The discovery well is the El Paso Natural Gas Co. Patterson A Well No. 1, located in Unit N of Section 20, Township 22 South, Range 22 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 22 EAST, NMPM
Section 20: SW/4

(l) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production and designated as the Sheep Draw-Atoka Gas Pool. The discovery well is the Hanagan Petroleum Corp. Mary Federal Well No. 1, located in Unit H of Section 11, Township 23 South, Range 25 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 25 EAST, NMPM
Section 11: E/2

(m) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the Sheep Draw-Morrow Gas Pool. The discovery well is the Hanagan Petroleum Corp. Mary Federal Well No. 1 located in Unit H of Section 11, Township 23 South, Range 25 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 25 EAST, NMPM
Section 11: E/2
Section 12: W/2

(n) CREATE a new pool in Lea County, New Mexico, classified as an oil pool and designated as the Shipp-Drinkard Pool and assign 41,650 barrels of discovery allowable to the discovery well, the Mesa Petroleum Company West Knowles Well No. 1, located in Unit P of Section 34, Township 16 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 16 SOUTH, RANGE 37 EAST, NMPM
Section 34: SE/4

(o) EXTEND the Atoka-Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM
Section 2: All

(p) EXTEND the North Benson Queen-Grayburg Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 30 EAST, NMPM
Section 32: N/2 NE/4

(k) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Wolfcamp production and designated as the South Rocky Arroyo-Wolfcamp Gas Pool. The discovery well is the El Paso Natural Gas Co. Patterson A Well No. 1, located in Unit N of Section 20, Township 22 South, Range 22 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 22 EAST, NMPM
Section 20: SW/4

(l) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production and designated as the Sheep Draw-Atoka Gas Pool. The discovery well is the Hanagan Petroleum Corp. Mary Federal Well No. 1, located in Unit H of Section 11, Township 23 South, Range 25 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 25 EAST, NMPM
Section 11: E/2

(m) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the Sheep Draw-Morrow Gas Pool. The discovery well is the Hanagan Petroleum Corp. Mary Federal Well No. 1 located in Unit H of Section 11, Township 23 South, Range 25 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 25 EAST, NMPM
Section 11: E/2
Section 12: W/2

(n) CREATE a new pool in Lea County, New Mexico, classified as an oil pool and designated as the Shipp-Drinkard Pool and assign 41,650 barrels of discovery allowable to the discovery well, the Mesa Petroleum Company West Knowles Well No. 1, located in Unit P of Section 34, Township 16 South, Range 37 East, NMPM. Said pool would comprise:

TOWNSHIP 16 SOUTH, RANGE 37 EAST, NMPM
Section 34: SE/4

(o) EXTEND the Atoka-Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM
Section 2: All

(p) EXTEND the North Benson Queen-Grayburg Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 30 EAST, NMPM
Section 32: N/2 NE/4

(q) EXTEND the Blinebry Oil and Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 38 EAST, NMPM
Section 27: SE/4

(r) EXTEND the Buffalo Valley-Pennsylvanian Gas Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 15 SOUTH, RANGE 27 EAST, NMPM
Section 3: N/2

(s) EXTEND the Burton Flat-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM
Section 18: N/2

(t) EXTEND the South Carlsbad-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 26 EAST, NMPM
Section 3: W/2
Section 11: All

TOWNSHIP 23 SOUTH, RANGE 27 EAST, NMPM
Section 8: All
Section 17: N/2

(u) EXTEND the South Carlsbad-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 26 EAST, NMPM
Section 16: S/2

TOWNSHIP 24 SOUTH, RANGE 26 EAST, NMPM
Section 1: W/2

(v) ESTABLISH a discovery allowable in the Casey-Strawn Pool in Lea County, New Mexico, and assign 56,630 barrels of discovery allowable to the discovery well, the C & K Petroleum, Inc. Shipp "27" Well No. 1, located in Unit O of Section 27, Township 16 South, Range 37 East, NMPM.

(w) EXTEND the Cerca-Upper Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 13 SOUTH, RANGE 34 EAST, NMPM
Section 27: S/2 and NE/4

(x) EXTEND the East Chisum San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 11 SOUTH, RANGE 28 EAST, NMPM
Section 16: NE/4 NE/4

(y) EXTEND the Double L Queen Associated Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 14 SOUTH, RANGE 29 EAST, NMPM
Section 23: NE/4

TOWNSHIP 14 SOUTH, RANGE 30 EAST, NMPM
Section 32: N/2 and SW/4

TOWNSHIP 15 SOUTH, RANGE 30 EAST, NMPM
Section 17: N/2

(z) EXTEND the Double X-Delaware Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 32 EAST, NMPM
Section 27: NE/4

(aa) EXTEND the Drinkard Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 36 EAST, NMPM
Section 36: SW/4

(bb) EXTEND the East Empire Yates Seven Rivers Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 28 EAST, NMPM
Section 34: W/2 NE/4

(cc) EXTEND the Kennedy Farms-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 17 SOUTH, RANGE 26 EAST, NMPM
Section 22: E/2

(dd) EXTEND the Penasco Draw-San Andres-Yeso Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM
Section 30: NW/4 SW/4

(ee) EXTEND the Ranger Lake-Bough Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 12 SOUTH, RANGE 34 EAST, NMPM
Section 23: SW/4

(ff) EXTEND the Rock Tank-Lower Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 23 SOUTH, RANGE 25 EAST, NMPM
Section 18: All

(gg) EXTEND the Round Tank San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 15 SOUTH, RANGE 29 EAST, NMPM
Section 31: NW/4 NW/4

(hh) EXTEND the vertical limits of the Sand Hills-San Andres Pool in Lea County, New Mexico, to include the Grayburg formation.

(ii) EXTEND the Sulimar Queen Pool in Chaves County, New Mexico, to include therein:

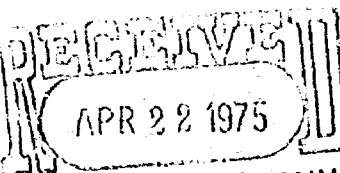
TOWNSHIP 15 SOUTH, RANGE 30 EAST, NMPM
Section 18: SW/4 SW/4

(jj) EXTEND the Tres Papalotes-Pennsylvanian Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 15 SOUTH, RANGE 34 EAST, NMPM
Section 5: SW/4

(kk) EXTEND the Turkey Track Queen-Grayburg Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 29 EAST, NMPM
Section 32: NE/4 NE/4



BEFORE THE
OIL CONSERVATION COMMISSION OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF PHILLIPS PETROLEUM COMPANY FOR
SIMULTANEOUS DEDICATION AND UNORTHODOX
WELL LOCATION, LEA COUNTY, NEW MEXICO.

A P P L I C A T I O N

COMES NOW PHILLIPS PETROLEUM COMPANY and applies to
the Oil Conservation Commission of New Mexico for an order
authorizing the simultaneous dedication of acreage and an
unorthodox well location for its Lusk Deep Unit "A" Well
No. 1, located in Unit A, Section 19, Township 19 South,
Range 32 East, Lea County, New Mexico and in support thereof
would show the Commission:

1. The applicant is the owner and operator of the
subject well.
2. Applicant desires to deepen the subject well 1400
feet for completion in the Lusk-Morrow Gas Pool and seeks
exceptions to the Lusk-Morrow Gas Pool Rules (NMOCC Order
No. R-2373) to allow the simultaneous dedication of acreage
and an unorthodox location for the subject well.
3. That applicant seeks approval for the dedication
of the above subject well to Section 19, Township 19 South,
Range 32 East which has previously been dedicated to the
Lusk Deep Unit "A" Well No. 5 located in Unit J of the
named Section.

DOCKET MADE
Date 5/2/75

4. Applicant seeks authority to produce the allowable assigned to each of the units from the aforesaid wells in any proportion.

5. Applicant seeks approval of the location of subject well as an unorthodox well location and an exception to the Lusk-Morrow Gas Pool Rules.

6. That approval of the application will better enable the applicant to produce the gas under the subject unit and will otherwise prevent waste and protect correlative rights.

WHEREFORE applicant prays that this application be set for hearing before the Commission's duly appointed examiner and that after notice and hearing as required by law, the Commission enter its order approving the application as requested.

Respectfully submitted,

PHILLIPS PETROLEUM COMPANY

BY


KELLAHIN & FOX

Post Office Box 1769

Santa Fe, New Mexico 87501

ATTORNEYS FOR APPLICANT

DRAFT

dr/

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. 5482

Order No. R- 5028

APPLICATION OF PHILLIPS PETROLEUM
COMPANY FOR AN UNORTHODOX GAS WELL
LOCATION AND SIMULTANEOUS DEDICATION,
LEA COUNTY, NEW MEXICO.





ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on May 14, 1975,
at Santa Fe, New Mexico, before Examiner Daniel S. Nutter.

NOW, on this day of May, 1975, the Commission, a
quorum being present, having considered the testimony, the record,
and the recommendations of the Examiner, 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 owner and operator of the Lusk Deep Unit "A" Well No. 1,
located at an unorthodox location in Unit A of Section 19,
Township 19 South, Range 32 East, Lusk-Morrow Gas Pool, Lea County,
New Mexico.

(3) That the applicant seeks approval for the simultaneous dedication of said Section 19 to the above well and to applicant's Lusk Deep Unit "A" Well No. 5 located in Unit J of said Section 19.

(4) That approval of the application will better enable the applicant to produce the gas under ~~xxxxxx~~ Section 19 and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That the applicant, Phillips Petroleum Company, is hereby given approval for the unorthodox location of its Lusk Deep Unit "A" Well No. 1 located in Unit A of Section 19, Township 19 South, Range 32 East, NMPM, Lusk-Morrow Gas Pool, Lea County, New Mexico.

(2) That the applicant is further authorized to dedicate Section 19 simultaneously to its Lusk Deep Unit "A" Well No. 5 located in Unit J and its Lusk Deep Unit "A" Well No. 1 located in Unit A, both in Section 19, Township 19 South, Range 32 East, NMPM, Lea County, New Mexico.

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.