

BEFORE THE OIL CONSERVATION COMMISSION
OF THE
STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF)
PHILLIPS PETROLEUM COMPANY, BARTLESVILLE)
OKLAHOMA, FOR AN EXCEPTION TO ORDER 72,)
EFFECTIVE AUGUST 1, 1937, AMENDING ORDER)
52, AND FOR AN ORDER AUTHORIZING A CENTRAL)
TANK BATTERY FOR CERTAIN LEASES IN SECTION)
32, TOWNSHIP 12 SOUTH, RANGE 32 EAST, LEA)
COUNTY, NEW MEXICO)

CASE NO. _____

ORDER NO. _____

A P P L I C A T I O N

COMES Now Phillips Petroleum Company, a Delaware Corporation with offices at Bartlesville, Oklahoma, authorized to transact business as a foreign corporation in the State of New Mexico, and respectfully represents unto the Oil Conservation Commission of the State of New Mexico that it owns valid and subsisting oil and gas leases from the State of New Mexico, acting by and through its Commissioner of Public Lands, as Lessor, covering the following described 40-acre units in Section 32, Township 12 South, Range 32 East, Lea County, New Mexico:

- | | | |
|-------------------------------------|-----------------------------------------------------------------------------|---------|
| 1. State Lease No. 35135 | - NE/4 NE/4, SE/4 NE/4, NE/4 SE/4 | B-10213 |
| 2. State Lease No. 35185 | - SW/4 NW/4, SE/4 NW/4 | B-10213 |
| 3. State Lease No. 36152 | - SE/4 SE/4 (and also SE/4 SW/4, which is not included in this application) | B-10357 |
| 4. State Lease No. 45291 | - NW/4 NE/4, SW/4 NE/4 | B-11330 |
| 5. State Lease No. 46421 | - NE/4 NW/4 | B-10839 |

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The above described tracts comprising 360 acres, being nine contiguous 40-acre units, in the Caprock Pool of Chaves and Lea Counties, New Mexico. Royalties under all of the above described leases are for the benefit of the Common School Fund of the State of New Mexico.

This applicant has completed producing wells on SW/4 NW/4 (Rock #1), SE/4 NW/4 (Rock #2), is now drilling a well on NE/4 NW/4 (Otia #1), and contemplates drilling a well on SW/4 NE/4 (Alden #1), all in said Section 32. Applicant has also completed a producing well on SE/4 SW/4 (Cap #1), which tract is, however, not included in this application and such well will not be produced into the central tank battery in the event this application is granted.

If all of the above described leases are productive and in the absence of the exception requested by this application, it will be necessary to set 5 separate tank batteries, consisting of 13-210 barrel tanks, at a cost of

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approximately \$13,000.00. If a central tank battery can be used, 8-210 barrel tanks, costing approximately \$8,000.00, would be sufficient to receive the estimated production from all wells on the said nine units. Your applicant further states that said leases can be operated more efficiently by the use of a central tank battery because the lease personnel will be enabled to devote more time and effort to well and lease maintenance. It is, therefore, respectfully requested that this Commission authorize such a central tank battery. Since all of the units are contiguous and since all royalties are payable to the same Institution, that is, the Common School Fund, applicant believes that this is a proper case for the Commission to exercise its discretion to grant an exception to Order 72, effective August 1, 1937, amending Order 52, as authorized by said order.

In the event this application is granted, the central tank battery will be set in the approximate center of said Section 32. The central battery will include adequate tankage and other equipment so that the production from each well can be accurately determined at reasonable intervals.

WHEREFORE, Your applicant respectfully requests that it be granted an exception to Order 72, effective August 1, 1937, amending Order 52 and that this Honorable Commission enter its order authorizing a central tank battery for production from all wells drilled on the nine units, comprising 360 acres, described in the first paragraph of this application.

DONE in Midland, Texas, on this 22nd day of September, 1948.

Respectfully submitted,

PHILLIPS PETROLEUM COMPANY

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