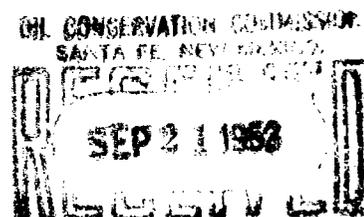


BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE NO. 557
Order No. R-351

THE MATTER OF THE APPLICATION OF
PHILLIPS PETROLEUM COMPANY FOR
PERMISSION TO EFFECT DUAL COMPLETION
OF ITS FONZO NO. 1 WELL, LOCATED IN
NW/4 NW/4, SECTION 35, TOWNSHIP 14
SOUTH, RANGE 37 EAST, NMPM, LEA COUNTY,
NEW MEXICO (IN THE DENTON FIELD) IN SUCH
A MANNER AS TO PERMIT PRODUCTION OF OIL
FROM THE DEVONIAN FORMATION, THROUGH
EXISTING CASING PERFORATIONS, 12,580 TO
12,680 FEET, AND FROM 12,456 TO 12,550 FEET,
AND OIL FROM THE WOLFCAMP FORMATION, AFTER
PERFORATING 9590 TO 9260 FEET.



PETITION FOR REHEARING

Comes now Phillips Petroleum Company and respectfully petitions the Oil Conservation Commission of New Mexico for a rehearing in the above captioned matter, and in support thereof would show:

1. That Petitioner was the applicant in Case No. 557 before the Oil Conservation Commission of New Mexico, and is adversely affected by Order No. R-351 entered therein.
2. That while said order bears the date August 28, 1953, Petitioner was not notified that such order had been entered, or that any order had been entered, within the time allowed for applying for rehearing, and in that respect has been denied its rights as provided by law. (Sec. 69-223, New Mexico Statutes, 1941 Annotated, 1949 Supp.)
3. That the Commission erred in entering its order in this case, the same being Order No. R-351, and that said order is unlawful in that it is unreasonable, arbitrary and capricious and would deprive Petitioner of a valuable property right without due process of law, in the following respects:
 - (a) The order is not supported by the evidence offered in this case, and there is no substantial evidence in the record to support said order.
 - (b) That the findings of the Commission are vague and indefinite, subject to ambiguity and doubt, and are insufficient to support the order of the Commission.
 - (c) That the findings of fact are not supported by substantial evidence, and are contrary to the evidence presented.

- (d) That the testimony offered and exhibits introduced clearly show that the dual completion of the Fonzo No. 1 well in the NW/4 NW/4 Section 35, Twp. 14 S., R. 37 E., NMPM will not subject such well to operational hazards, that no serious danger of interzone communication exists and that reservoir conditions are highly favorable to the dual completion as proposed, and the equipment proposed to be used will afford adequate and ample protection to all producing horizons, all as is clearly shown by the testimony and exhibits offered at said hearing, and that such dual completion will result in the prevention of waste and protection of correlative rights.
- (e) That the Commission order was not entered in accordance with law.
- (f) That the order will require the drilling of an excessive number of wells, with attendant risks and economic loss.

WHEREFORE PETITIONER PRAYS:

1. That this petition for rehearing be considered timely filed.
2. That a rehearing of Case No. 557 be granted by the Commission.
3. That the Commission rescind its Order No. R-351, dated August 28, 1953, and enter in lieu thereof its order approving the dual completion of Petitioner's Fonzo No. 1 well, in the NW/4 NW/4 Section 35, T. 14 S., R. 37 E., NMPM, Lea County, New Mexico, for the production of oil from the Denton-Wolfcamp formation, and oil from the Denton-Devonian formation, all as proposed and prayed in the original petition herein.

Respectfully submitted.

Phillips Petroleum Company

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