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~~I, Richard R. Spurrier,~~ <sup>William B. Macey</sup> Member and Secretary of the Oil Conservation Commission of the State of New Mexico, certify that the two accompanying volumes, composed as follows:

- Volume I - Application; Notice of Hearing; Order Number R-351; Petition for Re-hearing; Order Number R-351-A; Notice of Re-hearing; Order Number R-351-B; Oral Testimony of Hearing on July 16, 1953; and Oral Testimony of Re-hearing of October 15, 1953
- Volume II - Exhibits Numbers 1 to 7, inclusive, of Phillips Petroleum Company, hearing of July 16, 1953; Exhibits Numbers 1 to 6, inclusive, of Phillips Petroleum Company, re-hearing of October 15, 1953; Skelly Oil Company Exhibit Number 1; and Magnolia Petroleum Company Exhibit Number 1

contain a true and complete record of all of the petitions, applications, notices, orders, and evidence in Case Number 557 before the Oil Conservation Commission of the State of New Mexico, and the said two volumes are certified as the official record in said Case Number 557.

In witness whereof, I have affixed my hand and the seal of the Oil Conservation Commission of the State of New Mexico on this 23rd day of July 1954.

William B. Macey  
Richard R. Spurrier, Member and  
Secretary, Oil Conservation  
Commission of the State of New Mexico

PHILLIPS PETROLEUM COMPANY	Ø		IN THE DISTRICT COURT
VS.	Ø	NO. 11422	IN AND FOR LEA COUNTY,
OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO	Ø		NEW MEXICO, FIFTH JUDICIAL DISTRICT

S T I P U L A T I O N

It is stipulated and agreed by and between the Phillips Petroleum Company and the Oil Conservation Commission of the State of New Mexico, each acting by its duly authorized attorneys, that the two accompanying volumes, as certified by the Secretary of the Oil Conservation Commission of the State of New Mexico, contain a complete record of Case Number 557 before said Commission, and it is agreed that all or any part of the matter contained in said volumes may be introduced in evidence in this Case Number 11422 by any party, subject to objections as to competency, relevancy and materiality.

PHILLIPS PETROLEUM COMPANY

BY \_\_\_\_\_  
Attorney

OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

BY \_\_\_\_\_  
Attorney

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June 11, 1953

AIR MAIL

Re: Application of Phillips Petroleum Company to Effect Oil-Oil Dual Completions between the Devonian and Wolfcamp Formations in its Fort Well No. 1, Fonzo Well No. 1, and Denton Wells Nos. 12 and 13, Denton Field, Lea County, New Mexico

Mr. W. B. Macey  
Chief Engineer, Oil Conservation Commission  
P. O. Box 871  
Santa Fe, New Mexico

Dear Mr. Macey:

Phillips Petroleum Company desires to oil-oil dually complete between the Devonian and Wolfcamp formations the following wells:

1. Fort Well No. 1, located in the NE/4 NE/4 Section 34-14S-37E, Lea County, New Mexico. This well was completed on September 1, 1951, in Devonian pay at a plugged back total depth of 12,724 feet. 12,789 feet of 5 $\frac{1}{2}$ -inch casing was set and perforated opposite the Devonian formation from 12,564 feet to 12,630 feet; and from 12,660 feet to 12,710 feet.

It is proposed to perforate the Wolfcamp in this well as follows:

- Perforate 9645'-9680' test for water. If water squeeze
- and Perforate 9580'-9610' test for water. If water squeeze
- and Perforate 9500'-9550' test for water. If water squeeze
- and Perforate 9360'-9460' combine with previous formations that were water free.

Offset operators to this lease with their addresses are as follows:

Atlantic Refining Company                      Atlantic Building, Dallas, Texas

June 11, 1953

Magnolia Petroleum Company  
Shell Oil Company  
Ralph Lowe & Cabot Carbon Co.

Magnolia Building, Dallas, Texas  
Petroleum Building, Midland, Texas  
V & J Tower, Midland, Texas

2. Fonzo Well No. 1, located in the NW/4 NW/4, Section 35-14S-37E, Lea County, New Mexico. This well was completed on July 17, 1952, in Devonian pay at a plugged back total depth of 12,687 feet. 12,710.83 feet of 5½-inch casing was set and perforated opposite the Devonian formation from 12,580 feet to 12,680 feet; and from 12,456 feet to 12,550 feet.

It is proposed to perforate the Wolfcamp in this well as follows:

Perforate 9550'-9590' test for water. If water squeeze  
and Perforate 9480'-9520' test for water. If water squeeze  
and Perforate 9400'-9440' test for water. If water squeeze  
and Perforate 9260'-9360' combine with previous formations  
that were water free.

Offset operators to this lease with their addresses are as follows:

Atlantic Refining Company  
Magnolia Petroleum Company  
Ralph Lowe & Cabot Carbon Co.

Atlantic Building, Dallas, Texas  
Magnolia Building, Dallas, Texas  
V & J Tower, Midland, Texas

3. Denton Well No. 12, located in the SW/4 NW/4, Section 11-15S-37E, Lea County, New Mexico. This well was completed on June 24, 1952 in Devonian pay at a plugged back total depth of 12,772 feet. 12,752 feet of 5½-inch casing was set and perforated opposite the Devonian formation from 12,650 feet to 12,700 feet; and 12,600 feet to 12,650 feet.

It is proposed to perforate the Wolfcamp in this well as follows:

Perforate 9540'-9590' test for water. If water squeeze  
and Perforate 9480'-9500' test for water. If water squeeze  
and Perforate 9350'-9460' test for water. If water squeeze  
and Perforate 9230'-9320' combine with previous formations  
that were water free.

Offset operators to this lease with their addresses are as follows:

Atlantic Refining Company  
Shell Oil Company  
Gulf Oil Corporation

Atlantic Building, Dallas, Texas  
Petroleum Building, Midland, Texas  
Gulf Building, Pittsburgh 30,  
Pennsylvania  
Donnell Building, 539 S. Main St.  
Findlay, Ohio

Ohio Oil Company

June 11, 1953

4. Denton Well No. 13, located in the NW/4 NW/4, Section 11-15S-37E, Lea County, New Mexico. This well was completed on October 19, 1952, in the Devonian pay at a plugged back total depth of 12,745 feet. 12,736 feet of 5 $\frac{1}{2}$ -inch casing was set and perforated opposite the Devonian formation from 12,700 feet to 12,730 feet; and from 12,580 feet to 12,670 feet.

It is proposed to perforate the Wolfcamp in this well as follows:

Perforate 9530'-9580' test for water. If water squeeze  
and Perforate 9460'-9500' test for water. If water squeeze  
and Perforate 9290'-9430' test for water. If water squeeze  
and Perforate 9150'-9260' combine with previous formations  
that were water free.

Offset operators to this lease with their addresses are as follows:

Atlantic Refining Company  
Shell Oil Company  
Gulf Oil Corporation

Ohio Oil Company

Atlantic Building, Dallas, Texas  
Petroleum Building, Midland, Texas  
Gulf Building, Pittsburgh 30,  
Pennsylvania  
Donnell Building, 539 S. Main St.  
Findlay, Ohio

Baker & Otis equipment will be used in these completions, together with some additional equipment subcontracted from Garrett Oil Tools, Inc., for gas lift installations, if necessary. Baker Oil Tools representatives will present cutaway models of the equipment to be used, together with diagrammatic sketches of proposed installations, and will demonstrate and explain this equipment and the installations to the Commission.

I am attaching appropriate plats showing lease and well locations.

Very truly yours,

/s/ E. H. Foster

E. H. Foster

EHF:fe

Encls. Plats 2

Extra Copy This Letter

cc: Messrs: Harry D. Turner  
L. E. Fitzjarrald



NOTICE AS PUBLISHED IN THE NEW MEXICAN AT SANTA FE, NEW MEXICO AND  
IN THE HOBBS DAILY NEWS SUN AT HOBBS, NEW MEXICO, ON JUNE 29, 1953

LEGAL ADVERTISING

NOTICE OF PUBLICATION  
STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION  
SANTA FE, NEW MEXICO

The State of New Mexico by its Oil Conservation Commission hereby gives notice pursuant to law and the rules and regulations of said Commission promulgated thereunder of the following public hearings to be held at 9 o'clock a.m. on July 16, 1953, at Mabry Hall, State Capitol, in the City of Santa Fe, New Mexico.

STATE OF NEW MEXICO TO:

All named parties and persons having any right, title, interest or claim in the following cases, and notice to the public.

CASE 532: (Readvertisement)

In the matter of the revised application of the Oil Conservation Commission of New Mexico upon its own motion for an order authorizing the revision, modification and amendment of variously numbered rules in Sections 'G', 'A', and 'M' of the Rules and Regulations of the Commission (Revised Jan. 1, 1953), with particular reference to Rule 502, relating to Rate of Producing Wells and Daily and Monthly tolerances, etc.; and Rule 503 relating to Production Authorization

and including therein the matter of so-called 'Back Allowable'; the insertion of a working definition of the term 'Back Allowable' within Section 'A' of said Rules; the addition to Section 'M' relating to forms, of said Rules and Regulations, of such other and additional required forms as may appear necessary or convenient as a result of any revision, modification or amendment of any of the rules aforesaid; the amendment of, deletion from or addition to any conflicting section, definition, phrase or clause in Order R-98-A or any other order previously issued by the Commission bearing on the foregoing matters.

CASE 555:

In the matter of the application of Lowry et al Operating Account for the approval of a pilot pressure maintenance program by water injection in one or both of two wells, said injection wells located in SW $\frac{1}{4}$  SW $\frac{1}{4}$  Section 3 and NE $\frac{1}{4}$  NW $\frac{1}{4}$  Section 10, Township 26 North, Range 6 West, NMPM, in the South Blanco-Tocito Pool, Rio Arriba County, New Mexico.

CASE 556:

In the matter of the application of Phillips Petroleum Company for permission to effect a dual completion of its Fort Well No. 1, NE $\frac{1}{4}$  NE $\frac{1}{4}$  Section 34, Township 14 South, Range 37 East, NMPM, Lea County, New Mexico (in the Denton Pool), in such manner as to permit production of oil from the Devonian formation through existing casing perforations 12,564 to 12,710 feet, and oil from the Wolfcamp formation after perforating from 9,680 to 9,360 feet.

CASE 557:

In the matter of the application of Phillips Petroleum Company for permission to effect a dual completion of its Fonzo Well No. 1, NW $\frac{1}{4}$  NW $\frac{1}{4}$  Section 35, Township 14 South, Range 37 East, NMPM, Lea County, New Mexico, (in the Denton Pool), in such manner as to permit production of oil from the Devonian formation through existing casing perforations 12,456 to 12,680 feet, and oil from the Wolfcamp formation after perforating from 9590 to 9260 feet.

CASE 558:

In the matter of the application of Phillips Petroleum Company for permission to effect a dual completion of its Denton Well No. 12, SW $\frac{1}{4}$  NW $\frac{1}{4}$  Section 11, Township 15 South, Range 37 East, NMPM, Lea County, New Mexico (in the Denton Pool), in such manner as to permit production of oil from the Devonian formation through existing casing perforations 12,600 to 12,700 feet, and oil from the Wolfcamp formation after perforating 9590 to 9230 feet.

CASE 559:

In the matter of the application of Phillips Petroleum Company for permission to effect a dual completion of its Denton Well No. 13, NW $\frac{1}{4}$  NW $\frac{1}{4}$  Section 11, Township 15 South, Range 37 East, NMPM, Lea County, New Mexico (in the Denton Pool), in such manner as to permit production of oil from the Devonian formation through existing casing perforations 12,580 to 12,730 feet, and oil from the Wolfcamp formation after perforating 9580 to 9150 feet.

CASE 560:

In the matter of the application of the Oil Conservation Commission of New Mexico upon its own motion for an order calling for the creation of new pools and extension of existing pools in San Juan and Rio Arriba Counties, New Mexico, and giving notice to all persons and parties interested in the subject matter thereof to appear and show cause why such extensions and creations should not be made.

(a) Create a new pool in San Juan County, New Mexico, classified as a gas pool for Dakota production, designated as the Huerfano-Dakota Pool, and described as:

Twp. 26N, Rge. 10W, NMPM  
Section 13: S $\frac{1}{4}$ ;  
Section 14: SE $\frac{1}{4}$ ;  
Section 23: E $\frac{1}{2}$ ;  
Section 24: All

(b) Create a new pool in Rio Arriba County, New Mexico, classified as a gas pool for Dakota production, designated as the Companero-Dakota Pool, and described as:

Twp. 27 N. Rge. 5W NMPM  
Section 3: W $\frac{1}{2}$ ;  
Section 4: all;  
Section 9: N $\frac{1}{2}$ ;  
Section 10: NW $\frac{1}{4}$

(c) Create a new pool in San Juan County, New Mexico, classified as a gas pool for Dakota production, designated as the Blanco-Dakota Pool, and described as:

Twp. 31N, Rge. 10W, NMPM  
Section 27: all;  
Section 28: E $\frac{1}{2}$ ;  
Section 33: NE $\frac{1}{4}$ ;  
Section 34: N $\frac{1}{2}$

(d) Create a new pool in San Juan County, New Mexico, classified as a gas pool for Dakota production, designated as the West Kutz-Dakota Pool, and described as:

Twp. 28N, Rge. 12W, NMPM  
Section 21: E $\frac{1}{2}$ ;  
Section 22: all;  
Section 27: N $\frac{1}{2}$ ;  
Section 28: NE $\frac{1}{4}$

(e) Create a new pool in Rio Arriba County, New Mexico, classified as a gas pool for Dakota production, designated as the South Blanco-Dakota Pool, and described as:

Twp. 26N, Rge. 6W, NMPM  
Section 9: S $\frac{1}{2}$ ;  
Section 10: SW $\frac{1}{4}$ ;  
Section 15: W $\frac{1}{2}$ ;  
Section 16: all

(f) Extend the Fulcher-Kutz-Pictured Cliffs Pool in San Juan County, New Mexico, to include therein:

Twp. 27N, Rge. 8W, NMPM  
Section 18: W $\frac{1}{2}$

(g) Extend the West Kutz-Pictured Cliffs Pool in San Juan County, New Mexico, to include therein:

Twp. 27N, Rge. 10W, NMPM  
Section 32: E $\frac{1}{2}$

(h) Extend the Angels Peak Pool in San Juan County, New Mexico, to include therein:

Twp. 27N, Rge. 10W, NMPM  
Section 9: E $\frac{1}{2}$ ;  
Section 10: NW $\frac{1}{4}$ , S $\frac{1}{2}$ ;  
Section 15: all;  
Section 16: E $\frac{1}{2}$ ;  
Section 23: all;  
Section 23: W $\frac{1}{2}$ ;  
Section 26: NW $\frac{1}{4}$ ;  
Section 27: N $\frac{1}{2}$

CASE 561:

In the matter of the application of the Oil Conservation Commission of New Mexico upon its own motion for an order for the extension of existing pools in Lea and Eddy Counties, New Mexico, and giving notice to all persons and parties interested in the subject matter thereof to appear and show cause why such extensions should not be made.

(a) Extend the East Caprock-Devonian Pool boundary in Lea County, New Mexico, to include therein:

Twp. 12S, Rge. 32E, NMPM  
Section 2: N $\frac{1}{2}$

and such other lands contiguous to said pool as may properly be included therein as supported by proper testimony and recommendations adduced at said hearing.

(b) Extend the Crossroads-Pennsylvanian Pool boundary in Lea County, New Mexico, to include therein:

Twp. 9S, Rge. 36E, NMPM  
Section 19: E $\frac{1}{2}$

and such other lands contiguous to said pool as may properly be included therein as supported by proper testimony and recommendations adduced at said hearing.

(c) Extend the Dollarhide-Drinkard Pool boundary in Lea County, New Mexico, to include therein:

Twp. 25S, Rge. 36E, NMPM

That portion of the N $\frac{1}{2}$  of Section 4 that lies within the State of New Mexico; and N $\frac{1}{4}$  Section 5

and such other lands contiguous to said pool as may properly be included therein as supported by proper testimony and recommendations adduced at said hearing.

(d) Extending the Dollarhide-Queen Pool boundary in Lea County, New Mexico, to include therein:

Twp. 24S, Rge. 36E, NMPM  
Section 30: S $\frac{1}{2}$

and such other lands contiguous to said pool as may properly be included therein as supported by proper testimony and recommendations adduced at said hearing.

(e) Extend the Eldon-Pennsylvanian Pool boundary in Lea County, New Mexico, to include therein:

Twp. 16S, Rge. 35E, NMPM  
Section 7: SE $\frac{1}{4}$ ;  
Section 8: SW $\frac{1}{4}$ ;  
Section 17: NW $\frac{1}{4}$

and such other lands contiguous to said pool as may properly be included therein as supported by proper testimony and recommendations adduced at said hearing.

(f) Extend the East Hobbs-San Andres Pool boundary in Lea County, New Mexico, to include therein:

Twp. 18S, Rge. 39E, NMPM  
Section 30: all

and such other lands contiguous to said pool as may properly be included therein as supported by proper testimony and recommendations adduced at said hearing.

(g) Extend the Monument-Blinbery Pool boundary in Lea County, New Mexico, to include therein:

Twp. 20 South, Rge. 37E, NMPM  
Section 7: NE $\frac{1}{4}$ ;  
Section 8: NW $\frac{1}{4}$

and such other lands contiguous to said pool as may properly be included therein as supported by proper testimony and recommendations adduced at said hearing.

(h) Extend the Empire Pool boundary in Eddy County, New Mexico, to include therein:

Twp. 17S, Rge. 28E, NMPM  
Section 19: SE $\frac{1}{4}$ ;  
Section 30: E $\frac{1}{2}$

and such other lands contiguous to said pool as may properly be included therein as supported by proper testimony and recommendations adduced at said hearing.

GIVEN under the seal of the Oil Conservation Commission at Santa Fe, New Mexico, this 25th day of June, 1953.

(Seal) STATE OF NEW MEXICO  
OIL CONSERVATION  
COMMISSION  
R. R. SPURRIER, Secretary  
(Pub. June 29, 1953).

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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. 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.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on July 16, 1953, at Santa Fe, New Mexico, before the Oil Conservation Commission, herein-after referred to as the "Commission."

NOW, on this 28th day of August, 1953, the Commission, a quorum being present, having considered the application and the testimony adduced at said hearing, 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.

(2) That dual completion of the Fonzo No. 1 Well, in the NW/4 NW/4 Section 35, Township 14 South, Range 37 East, NMPM, in the Denton Field, Lea County, New Mexico, for production of oil from the Denton-Wolfcamp formation and oil from the Denton-Devonian formation would be subject to the operational hazards incident to great depths.

(3) That there exists between the two reservoirs a considerable pressure differential, and, should interzone communications occur from any reason, the deeper Devonian Reservoir with the higher pressure would be injured.

(4) That testimony shows that packer, and other mechanical failures in oil-oil completions at various depths have caused injurious interzone communication in reservoirs in other areas under conditions similar to those existing in the Denton Field.

(5) That applicant's testimony as to the economic effectiveness of the Wolfcamp pay section under the subject well appears to be unduly conservative.

(6) That application for oil-oil dual completion of the Fonzo No. 1 well should be denied.

IT IS THEREFORE ORDERED:

That the application of Phillips Petroleum Company for permission to dually complete its Fonzo No. 1 Well, located in the NW/4 NW/4, Section 35, Township 14 South, Range 37 East, MMPM, for oil from the Denton-Wolfcamp formation and oil from the Denton-Devonian formation be, and the same hereby is denied.

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION  
/s/ E. L. Nechem

EDWIN L. NECHEM, CHAIRMAN

/s/ E. S. Walker

E. S. Walker, Member

/s/ R. R. Spurrier

R. R. Spurrier, Secretary

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BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING  
CALLED BY THE OIL CONSERVATION COM-  
MISSION OF NEW MEXICO FOR THE PURPOSE  
OF CONSIDERING:

CASE NO. 557  
ORDER NO. R-351-A

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

ORDER OF THE COMMISSION FOR RE-HEARING

BY THE COMMISSION

This cause came on for hearing upon the petition of Phillips Pe-  
troleum Company for a re-hearing on Order No. R-351 heretofore entered on  
August 28, 1953.

NOW, on this 28th day of September, 1953, the Commission, a quorum  
being present, having fully considered said motion and application,

IT IS HEREBY ORDERED:

That the above-entitled matter be re-opened and a re-hearing in said  
cause be held on October 15, 1953, at 9 o'clock a.m. on said day at Santa Fe,  
New Mexico, or at such time as the Commission may designate after due notice,  
at which time and place all interested parties may appear.

IT IS FURTHER ORDERED: That the effective date for the operation  
of Commission Order No. R-351 be, and the same hereby is suspended pending  
further order of the Commission in the premises.

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

/s/

Edwin L. Mechem, Chairman

/s/

E. S. Walker, Member

/s/

R. R. Spurrier, Member and Secretary

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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, N.M.P., 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 with-  
out 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

By /s/ Jason Kellahin  
Jason W. Kellahin  
Attorney for Petitioner  
Santa Fe, New Mexico

**NOTICE OF PUBLICATION  
STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION  
SANTA FE - NEW MEXICO**

The State of New Mexico by its Oil Conservation Commission hereby gives notice pursuant to law and the Rules and Regulations of said Commission promulgated thereunder of the following public hearings to be held at 9 o'clock a.m. on October 15, 1953, at Mabry Hall, State Capitol, Santa Fe, New Mexico.

**STATE OF NEW MEXICO TO:**  
All named parties and persons having any right, title, interest or claim in the following cases, and notice to the public.

(Note: All land descriptions herein refer to the New Mexico Principal Meridian, whether or not so stated.)

**CASE 536: (Re-hearing)**

Notice is hereby given by the State of New Mexico, through its Oil Conservation Commission, that Phillips Petroleum Company, upon proper petition, has requested a re-hearing in Case 536; that in said petition, petitioner asks rescission of Order No. R-350, which order refused petitioner's application for permission to effect dual completion of its Fort No. 1 Well, NE4 NE4 Section 34, Township 14 South, Range 37 East, NMPM, Lea County, New Mexico, in such manner as to permit production of oil from both the Devonian and Wolfcamp formations; that the Commission, by its Order No. R-350-A, has granted said re-hearing and set it for 9 a.m. on October 15, 1953, at Mabry Hall, Santa Fe, New Mexico, at which time and place petitioner and other interested parties will be heard.

**CASE 537: (Re-hearing)**

Notice is hereby given by the State of New Mexico, through its Oil Conservation Commission, that Phillips Petroleum Company, upon proper petition, has requested a re-hearing in Case 537; that in said petition, petitioner asks rescission of Order No. R-351, which order refused petitioner's application for permission to effect dual completion of its Fonzo No. 1 Well, NW4 NW4 Section 35, Township 14 South, Range 37 East, Lea County, New Mexico, in such manner as to permit production of oil from both the Devonian and Wolfcamp formations; that the Commission, by its Order No. R-351-A, has granted said re-hearing and set it for 9 a.m. on October 15, 1953, at Mabry Hall, Santa Fe, New Mexico, at which time and place petitioner and other interested parties will be heard.

**CASE 538:**

In the matter of the application of Stanolind Oil & Gas Company for permission to dually complete its State 'E', Tract 17, Well No. 1, SW4 SE4 Section 1, Township 17 South, Range 36 East, Lea County, New Mexico, in such manner as to permit production of oil from the Paddock zone of the Lovington-Paddock Oil Pool through the tubing and gas from the Queen formation through the casing-tubing annulus.

**CASE 594:**

In the matter of the application of Atlantic Pipe Line Company for permission to operate a temporary portable treating plant on its Leach Tank Farm, Hobbs, New Mexico, for the processing, treating and reclaiming of approximately 25,000 barrels of basic sediment and water which has accumulated in the tanks on said tank farm, in accordance with the provisions of Rule 312 of the Rules and Regulations.

In the matter of the application of El Paso Natural Gas Company for compulsory unitization of the E2 of Section 32, Township 31 North, Range 10 West, San Juan County, New Mexico; or, in the alternative, for approval of an unorthodox drilling unit of 240 acres, more or less, in the E2 of said Section 32, Township 31 North, Range 10 West.

**CASE 596:**

In the matter of the application of El Paso Natural Gas Company for compulsory unitization of the E2 of Section 32, Township 30 North, Range 8 West, San Juan County, New Mexico; or, in the alternative, for approval of an unorthodox drilling unit of 280 acres, more or less, in the E2 of said Section 32, Township 30 North, Range 8 West.

**CASE 597:**

In the matter of the application of El Paso Natural Gas Company or permission to drill a well in NE4 NE4 Section 16, Township 15 North, Range 17 West, McKinley County, New Mexico, for the storage of liquefied petroleum gas after washing out a storage cavity in the Chinle formation at an approximate depth of 800 feet.

**CASE 598:**

In the matter of the application of the Oil Conservation Commission upon its own motion for a revision of Rule 104 (b) pertaining in part to well spacing in San Juan, Rio Arriba, Sandoval and McKinley Counties, New Mexico, and for a revision of Orders R-59, R-46 and R-110 pertaining to spacing of gas wells to be drilled to the Pictured Cliffs formation and to the Mesaverde formation.

**CASE 599:**

In the matter of the application of the Oil Conservation Commission upon its own motion for the creation of new pools and extension of existing pools in Lea County, New Mexico, and giving notice to all persons and parties interested in the subject matter thereof to appear and show cause why such extensions and creations should not be made.

(a) Create a new pool in Lea County, New Mexico, classified as an oil pool for Seven Rivers production, designated as the East Hobbs-Seven Rivers Pool, and described as:

Township 18 S, Range 38 E

All of Section 25

and such other contiguous lands as may properly be included therein as supported by proper testimony and recommendations adduced at said hearing.

(b) Extend the Crossroads Pool boundary in Lea County, New Mexico, to include therein:

Township 9 S, Range 36 E

S2 Section 22

and such other lands contiguous to said pool as may properly be included therein as supported by proper testimony and recommendations adduced at said hearing.

(c) Extend the Denton-Wolfcamp Pool boundary in Lea County, New Mexico, to include therein:

Township 14 S, Range 37 E

N2 Section 26; all Section 36

Township 15 S, Range 37 E

E2 Section 10

and such other lands contiguous to said pool as may properly be included therein as supported by proper testimony and recommendations adduced at said hearing.

(d) Extend the Lovington-Paddock Pool boundary in Lea County, New Mexico, to include therein:

Township 16 S, Range 36 E

S2 Section 25

and such other lands contiguous to said pool as may properly be included therein as supported by proper testimony and recommendations adduced at said hearing.

(e) Extend the Lynch Pool boundary in Lea County, New Mexico, to include therein:

Township 20 S, Range 31 E

E2 Section 35

and such other lands contiguous to said pool as may properly be included therein as supported by proper testimony and recommendations adduced at said hearing.

**CASE 600:**

In the matter of the application of the Oil Conservation Commission upon its own motion for the extension of existing pools in San Juan and Rio Arriba Counties, New Mexico, and giving notice to all persons and parties interested in the subject matter thereof to appear and show cause why such extensions should not be made.

(a) Extend the Blanco-Mesaverde Pool boundary in San Juan and Rio Arriba Counties, New Mexico, to include:

Township 29 N, Range 6 W

Sections 19 - 36, incl., all

Township 30 N, Range 6 W

Sections 23 and 34, all

Township 38N, Range 6 W

Partial sections 7 thru 12, incl., all;

Sections 13 thru 18, incl., all

Township 29 North, Range 7 W

Sections 20 thru 29, incl., all;

Sections 32 thru 36, incl., all

(b) Extend the Artec-Pictured Cliffs Pool boundary in San Juan County, New Mexico, to include:

Township 29 N, Range 10 W

Section 3, all

(c) Extend the West Kutz-Pictured Cliffs Pool boundary in San Juan County, New Mexico, to include:

Township 28 N, Range 13 W

N2 Section 24

GIVEN under the seal of the New Mexico Oil Conservation Commission at Santa Fe, New Mexico, this 28th day of September, 1953.

State of New Mexico

Oil Conservation Commission

R. R. SPURRIER, Secretary.

(SEAL)