

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE NO. 853
Order No. R-589
(Emergency)

EMERGENCY ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for consideration on the application of Phillips Petroleum Company for an emergency order as provided by Rule 1202 of the Rules and Regulations of the Oil Conservation Commission of New Mexico for approval of a well location 660 feet east of the west line, and 660 feet south of the north line of the southeast quarter of Section 28, Township 25 South, Range 37 East, NMPM, and for emergency approval of a drilling unit of less than 40 acres as an exception to the provisions of Rule 104.

NOW, on this 24th day of February, 1955, the Commission having considered said petition and good cause appearing therefor.

FINDS:

(1) That Phillips Petroleum Company appears to be the owner of a 3/4 undivided working interest in the north 60 acres of the southeast quarter Section 28, Township 25 South, Range 37 East, NMPM, and that other mineral interests under said southeast quarter Section 28, Township 25 South, Range 37 East, NMPM, are set out in the petition on file herein.

(2) That unless an emergency order is granted, Phillips Petroleum Company may be denied its right to recover its just and equitable share of oil and gas, or both, in the pool, and may be denied an opportunity to drill upon and produce from the lands held by the applicant.

IT IS THEREFORE ORDERED:

(1) That Phillips Petroleum Company is hereby granted authority to drill a well located 660 feet east of the west line and 660 feet south of the north line of the southeast quarter of Section 28, Township 25 South, Range 37 East, NMPM.

Order No. R-589
(Emergency)

(2) That the north half of the northwest quarter of the southeast quarter, and the north half of the south half of the northwest quarter of the southeast quarter are approved as a drilling unit for the purposes of this well.

IT IS FURTHER ORDERED:

(1) That the provisions of this order shall be subject to any further order or orders to be entered by the Commission after notice and hearing as provided by law, and shall be construed only as an emergency approval of well location and drilling unit, subject to further order of the Commission.

(2) That this application be set for hearing as required by law on the 10th day of March, 1955, and that notice of said hearing be issued forthwith.

(3) That the provisions of this order shall in no way affect the application of the pool rules of the Jalmat Gas Pool in the event such rules become applicable to the well and unit covered by this order.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


JOHN F. SIMMS, Chairman


E. S. WALKER, Member


W. B. MACEY, Member and Secretary



BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

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

CASE NO. 853
Order No. R-589- A

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

ORDER OF THE COMMISSION

BY THE COMMISSION:

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

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

FINDS:

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

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

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

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

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

- (a) Harry Leonard, Roswell, New Mexico - $1/4$ of $1/8$
- (b) S. M. Gloyd, Oklahoma City, Okla. - $3/8$ of $1/8$
- (c) Saunders Estate, Roswell, N. M. - $1/8$ of $1/8$

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

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

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

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

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

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

IT IS THEREFORE ORDERED:

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

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

John F. Simms
JOHN F. SIMMS, Chairman

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

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



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