



PHILLIPS PETROLEUM COMPANY

P. O. Box 2105
Hobbs, New Mexico

October 17, 1962

Case 2690

In re: Application for Special Allowable - Phillips Petroleum
Company Mexco "A" No. 2 - Maljamar Pool, Lea County, New Mexico

New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Attention: Mr. D. S. Nutter

Dear Sir:

Confirming verbal conversation with you on October 16, 1962, Phillips Petroleum Company hereby makes application for the approval of a special allowable on its Mexco "A" No. 2. In support of this application, we wish to state the following:

1. That Phillips Petroleum Company's Mexco "A" No. 2, located in the NE/4 SE/4 of Section 2, T17S, R32E, Lea County, New Mexico, was completed on June 26, 1960, at a total depth of 4423'. The attached Exhibit "A" shows the location of this well on the Phillips Petroleum Company Mexco "A" Lease together with the location of offset wells.
2. That the subject well has 5-1/2" casing set at 4443' with 200 sacks cement. The well is currently producing oil from the Grayburg-San Andres formation.
3. That Boller and Nichols received approval from the New Mexico Oil Conservation Commission on November 27, 1959, in Order No. R-1538 to institute a waterflood project adjacent to our Mexco "A" Lease.
4. That production from the subject well has been stimulated in excess of top allowable as a result of the offset water injection operations.
5. That the granting of this application is in the interest of conservation.

DOCKET MAILED

Date 10-26-62

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October 17, 1962
Page 2

Therefore, Phillips Petroleum Company requests that the Oil Conservation Commission grant a hearing on this application for a special allowable.

Respectfully submitted,

PHILLIPS PETROLEUM COMPANY

W. C. Rodgers

W. C. Rodgers
District Superintendent
Production Department

FCM:wma

Attach.

cc: New Mexico Oil Conservation Commission
Hobbs, New Mexico

Attach.

BEFORE THE OIL CONSERVATION COMMISSION

OF

THE STATE OF NEW MEXICO

APPLICATION OF PHILLIPS PETROLEUM
COMPANY FOR A SPECIAL ALLOWABLE,
LEA COUNTY, NEW MEXICO.

Case No. 2690

ENTRY OF APPEARANCE

Come now Kellahin & Box, P. O. Box 1713, Santa Fe, New Mexico, and enter their appearance in the above-captioned case on behalf of Phillips Petroleum Company in association with Mr. Carl Jones, a member of the Texas Bar.



JASON W. KELLAHIN

BEFORE EXAMINER BUTTER	
OIL CONSERVATION COMMISSION	
EXHIBIT NO.	A
CASE NO.	2745

PHILLIPS PETROLEUM COMPANY'S APPLICATION FOR A CAPACITY
ALLOWABLE FOR THE PHILLIPS' MEXCO "A", WELL NO. 2, UNIT
I, SECTION 2, TOWNSHIP 17-S, RANGE 32-E, MALJAMAR POOL,
LEA COUNTY, NEW MEXICO

CASE NO. 2745

January 28, 1963

Summary of Exhibits

- Exhibit No. 1 - A plat of the Maljamar area of Lea County showing the waterflood projects, and the injection wells in the vicinity of the Phillips' Mexco "A" Well No. 2
- Exhibit No. 2 - A plat of the maljamar area in the vicinity of the Phillips' Mexco "A", Well No. 2, showing the waterflood projects and the injection wells in operation. This plat also shows the cumulated production from the wells in this area as of January 1, 1961.
- Exhibit No. 3 - A schematic sketch showing the oil producing rates and water injection rates of wells in the vicinity of the Phillips' Mexco "A" Well No. 2.
- Exhibit No. 4 - A cross section through the Phillips' Mexco "A" Well No. 2, and the wells to the south showing the common completion intervals of these wells.
- Exhibit No. 5 - A decline curve for the Phillips' Mexco "A" Well No.1.
- Exhibit No. 6 - A decline curve for the Phillips' Mexco "A" Well No. 2.
- Exhibit No. 7 - A decline curve for the Phillips' Mexco "A" Well No. 3.
- Exhibit No. 8 - Core analysis summary, Phillips' Mexco "A" Wells No. 2 and No. 3.
- Exhibit No. 9 - Phillips' letter of November 28, 1962 to Waterflood Associates, Inc., relative to inclusion of Phillips' Mexco "A" Well No. 2 in the Boller-Nichols waterflood project.
- Exhibit No. 10- Waterflood Associates, Inc., letter of December 17, 1962 relative to unitization of Phillips' Mexco "A" Well No. 2 with the Boller-Nichols waterflood.



PHILLIPS PETROLEUM COMPANY
BARTLESVILLE, OKLAHOMA

November 28, 1962

Water Flood Associates, Inc.
2211 Continental National Bank Building
Fort Worth 2, Texas

Attention Mr. Curtis McBroom

Maljamar Pool,
Lea County, New Mexico
Proposed Inclusion of Phillips
No. 2 Maxco "A", NE/4 SE/4
Sec. 2-17S-32E, in Boller-Nichols
Waterflood Project

Gentlemen:

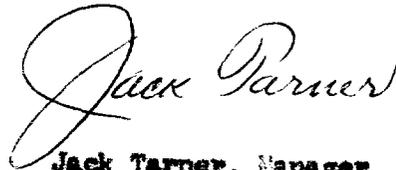
On October 22, 1962, Mr. H. C. Porter of Water Flood Associates, Inc., and Mr. Robert Kennedy of Kennedy Oil Company met with Mr. F. G. Morgan of Phillips' Hobbs District Office to discuss various possibilities of cooperative action to accomplish equitable water flooding of our separate properties in the subject pool. At the time, Phillips Maxco No. 2 had responded to water injection in the Nichols-Phillips Lease State No. 2, SE/4 SE/4 Section 2-17S-32E, and Phillips had sought relief from the New Mexico Oil Conservation Commission in granting a special allowable from this well to prevent loss of oil to the depleted edge of the reservoir to the north. Subsequent to our hearing on November 8, 1962, the Commission issued Order No. R-2362 granting capacity allowable for a period of 60 days on the Maxco "A" No. 2. The order also provided "That the Maxco "A" Well No. 2 shall be eligible to share in the Boller-Nichols Waterflood Project allowable at the termination of the temporary 60-day maximum capacity production period authorized in this order, provided the NE/4 SE/4 of Section 2-T17S-R32E, NNPM, Lea County, New Mexico, has been unitized with acreage lying directly south thereof and in the Boller-Nichols Waterflood Project Area, and provided that said unitization agreement has been approved by the Commission."

We recognize that unitization of the Maxco "A" No. 2 and the Kennedy State No. 1-2, NW/4 SE/4 Section 2-T17S-R32E, with the Boller-Nichols Water Flood Project would be desirable, but at this stage of the waterflood operation it may be very difficult to accomplish on the basis of the usual parameters.

Water Flood Associates, Inc.
Maljamar Pool
November 28, 1962
Page No. 2

We will appreciate receiving your comments as to the possibility of unitizing our properties, and any suggestions you may have as to some equitable basis of participation.

Yours very truly,



Jack Turner, Manager
Engineering Division

TAM:MFG

cc: Mr. Leonard Nichols
Mercantile Securities Bldg.
Dallas, Texas

Mr. H. C. Porter
Water Flood Associates, Inc.
301 Booker Bldg.
Artesia, New Mexico

Mr. Robert B. Kennedy
Kennedy Oil Company
P. O. Box 151
Artesia, New Mexico

New Mexico Oil Conservation Commission ✓
P. O. Box 871
Santa Fe, New Mexico
Attn: Mr. D. S. Hutter

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WATER FLOOD ASSOCIATES, INC.

301 BOOKER BLDG.
ARTESIA, NEW MEXICO

PHONE SH 6-6032

DECEMBER 17, 1962

PHILLIPS PETROLEUM COMPANY
BARTLESVILLE, OKLAHOMA

ATTENTION: JACK TARNER

RE: MALJAMAR POOL, LEA COUNTY,
NEW MEXICO. UNITIZATION
PROPOSAL OF PHILLIPS NO. 2
MEXCO A, NE/4 SE/4, SECTION
2-17-32 WITH THE BOLLER
NICHOLS FLOOD

GENTLEMEN:

OUR FORT WORTH OFFICE HAS REFERRED YOUR LETTER OF NOVEMBER 28, 1962,
TO ME FOR HANDLING.

AS YOU HAVE MENTIONED THE UNITIZATION OF THIS LEASE AND THE KENNEDY STATE
NO. 2 (NW SE SECTION 2) WITH OUR DEVELOPED AREA WOULD BE VERY DIFFICULT.
WE CAN SEE NO WAY IN WHICH IT WOULD BE POSSIBLE.

KENNEDY OIL COMPANY HAS CONTACTED YOUR HOBBS OFFICE REGARDING A UNITIZA-
TION OF YOUR WELL WITH HIS SINGLE WELL WHEREIN THE CONVERSION OF HIS WELL
TO INJECTION WOULD BE POSSIBLE. WE ARE IN FAVOR OF THIS TYPE ARRANGEMENT
DUE TO THE SIMPLICITY OF BEING BETWEEN ONLY TWO OPERATORS, AND NOT
INCLUDING THE ACREAGE ALREADY UNDER FLOOD.

IF THERE IS ANY FURTHER PLAN YOU WISH TO DISCUSS, PLEASE LET US KNOW.

VERY TRULY YOURS,

WATER FLOOD ASSOCIATES, INC.

Handwritten signature of H. C. Porter
H. C. PORTER
SUPERINTENDENT

HCP:EL

CC: ROBERT B. KENNEDY - ARTESIA, NEW MEXICO
PHILLIPS PETROLEUM COMPANY - HOBBS, N. M.
OIL CONSERVATION COMMISSION - SANTA FE, N. M.
CURTIS MCBROOM - FORT WORTH, TEXAS
ROBERTS CORRESPONDENCE FILE

OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO

Date 11/13/62

CASE 2690

Hearing Date 11/8/62 9am

DSN @ SF

My recommendations for an order in the above numbered cases are as follows:

Enter an order authorizing PPLCo an allowance for ~~to produce~~ its MEXCO A # 2, located in the NE/4 SE/4 Sec 2, T17S, R32E, Maljamar Pool, Lea County, New Mexico, ~~at a rate~~ equal to its capacity ability to produce for a period not to exceed 60 days. Provide that the well's allowance shall revert to 42 bbls per day at the end of 60 days, unless the NE/4 SE/4 of Sec 2 has been unitized with the acreage to the South and the unitization has been approved by the Commission, ^{at which time the well would} ~~upon such unitization, the well would receive 42 bbls per day~~ and be eligible to share in the project allowance.

Base the order upon the possibility of causing waste and the violation of correlative rights, but suggest in the findings that the unitization of the properties would ~~avoid~~ avert both.

Also include a finding that PPO should investigate the feasibility of restoring the McLaughlin No 1 in Unit M of Sec 1-19-32 to production and converting the Mexco "A" # 3 in Unit N of 1-17-32 to water injection.

PHILLIPS PETROLEUM COMPANY'S APPLICATION FOR A CAPACITY
ALLOWABLE FOR THE PHILLIPS' MEXCO "A", WELL NO. 2, UNIT
I, SECTION 2, TOWNSHIP 17-S, RANGE 32-E, MALJAMAR POOL,
LEA COUNTY, NEW MEXICO.

CASE NO. 2690

NOVEMBER 8, 1962

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- Exhibit No. 8: Core Analysis Summary Phillips' Mexco "A", Wells No. 2 and No. 3

CORE ANALYSIS
SUMMARY

Phillips
Mexico "A" 2

Phillips
Mexico "A" 3

<u>Berth</u>	<u>Permeability</u> <u>MD</u>	<u>Porosity</u> <u>%</u>
4014-02	0	3.9
4102-03	0	6.8
4103-04	0	7.0
4109-09	0	8.9
4110-11	209.0	26.0
4111-12	17.0	21.1
4112-13	10.0	14.8
4117-14	25.0	19.0
4114-15	122.0	23.5
4115-16	156.0	23.4
4116-17	3.6	17.0
4192-23	0	12.7
4193-24	.7	13.5
4194-25	5.6	23.4
4195-26	1.0	15.7
4196-27	0	17.6
4215-16	0	5.1
4216-17	0	6.7
4217-18	0	6.1
4218-19	0	3.4
4219-20	0	7.6
4220-21	0	6.7
4221-22	.4	19.7
4222-22.5	.5	9.2
4223-23	0	3.8
4224-24	0	3.5
4243.5-44	0	10.6
4244-45	0	10.7
4245-46	.1	12.5
4246-46.5	.7	14.4

13.0' with measurable permeability
permeability less than .1 md shown as 0

<u>Berth</u>	<u>Permeability</u> <u>MD</u>	<u>Porosity</u> <u>%</u>
4105-06	0	6.2
4106-07	0	7.3
4107-08	0	4.5
4108-09	0	7.3
4109-10	.1	11.2
4110-11	0	9.0
4111-12	0	10.3
4112-13	0	6.7
4113-14	0	6.2
4114-15	0	6.8
4114-45	0	2.0
4115-46	0	3.2
4116-47	0	1.7
4117-48	0	6.7
4118-49	0	7.6
4119-50	0	10.4
4298-4300	0	9.0
4200-01	.1	10.3
4201-02	0	7.1
4202-03	0	5.0
4207-08	0	8.9
4208-09	0	8.8
4209-40	0	7.2
4210-49	0	9.7
4219-50	0	10.5
4272-73	.1	9.6
4273-74	0	8.0
4274-75	0	9.1
4361-62	0	1.7
4362-63	0	3.8
4419-20	0	10.5
4420-21	.1	12.9
4421-22	7.4	16.1
4422-23	23.0	19.5
4423-24	.5	13.6
4424-25	1.5	13.9
4425-26	5.1	15.0
4426-27	.1	12.8
4427-28	0	9.7
4428-29	0	7.5

10' with measurable permeability
permeability less than .1 md shown as 0

ILLEGIBLE

U. S. OFFICE 000

KELLAHIN AND FOX

ATTORNEYS AT LAW

JASON W. KELLAHIN
ROBERT E. FOX

54½ EAST SAN FRANCISCO STREET
POST OFFICE BOX 1713
SANTA FE, NEW MEXICO

TELEPHONES
983-9396
982-2991

NOV 7 AM 10:01

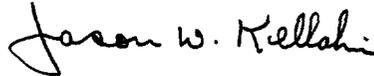
November 6, 1962

Oil Conservation Commission
P. O. Box 781
Santa Fe, New Mexico

Gentlemen:

Enclosed find Entry of Appearance in regard to the application of Phillips Petroleum Company, Case No. 2690, for filing.

Very truly yours,



JASON W. KELLAHIN

jwk:mas
enclosure
cc/enclosure: Mr. Carl Jones