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. 2690
Order No. R-2362

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

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on
November 8, 1962, at Santa Fe, New Mexico, before Daniel S. Nutter,
Examiner duly appointed by the Oil Conservation Commission of New
Mexico, hereinafter referred to as the "Commission," in accordance
with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 14th day of November, 1962, the Commission,
a quorum being present, having considered the application, the
evidence adduced, and the recommendations of the Examiner,
Daniel S. Nutter, 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 and the subject
matter thereof.

(2) That the applicant, Phillips Petroleum Company, is the
owner and operator of the Mexco "A" Well No. 2, located in Unit I
of Section 2, Township 17 South, Range 32 East, NMPM, Maljamar
Pool, Lea County, New Mexico.

(3) That the applicant seeks assignment of special allow-
able to the subject well authorizing said well to produce at its
capacity.

(4) That the Mexco "A" Well No. 2 is adjacent to the Boller-
Nichols Waterflood Project and has received a response from the
injection of water into said waterflood project.

(5) That the Mexco "A" Well No. 2 is now capable of produc-
ing in excess of its presently assigned allowable.

(6) That the applicant should be allowed to produce its
Mexco "A" Well No. 2 at its maximum capacity for a temporary

60-day period in order to avert the possibility of unrecoverable loss of oil presently being swept toward the subject well by the Boller-Nichols Waterflood Project.

(7) That unitization of the NE/4 SE/4 of Section 2, Township 17 South, Range 32 East, NMPM, Lea County, New Mexico, with acreage lying directly south thereof and in the Boller-Nichols Waterflood Project Area would tend to protect correlative rights and to eliminate the possibility of waste as the subject well would then be eligible to share in the Boller-Nichols Waterflood Project allowable.

(8) That the applicant should investigate the feasibility of restoring the McLaughlin Well No. 1, located in Unit M of Section 1, Township 17 South, Range 32 East, NMPM, Lea County, New Mexico, to production and converting the Mexco "A" Well No. 3, located in Unit N of said Section 1 to water injection in order to achieve greater ultimate recovery of oil underlying the SW/4 of Section 1, Township 17 South, Range 32 East, NMPM, Lea County, New Mexico.

IT IS THEREFORE ORDERED:

(1) That the applicant, Phillips Petroleum Company, is hereby authorized to produce its Mexco "A" Well No. 2, located in Unit I of Section 2, Township 17 South, Range 32 East, NMPM, Maljamar Pool, Lea County, New Mexico, at its maximum capacity for a temporary period not to exceed 60 days from the date of this order.

(2) That the Mexco "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, Township 17 South, Range 32 East, NMPM, 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.
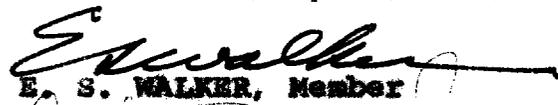
(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

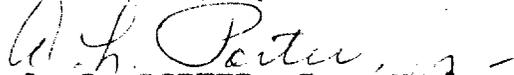DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

E. S. WALKER, Member

A. L. PORTER, Jr., Member & Secretary

esr/