

STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION



GARREY CARRUTHERS
GOVERNOR

November 18, 1937

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87501
(505) 827-5800

Mr. Thomas Kellahin
Kellahin, Kellahin & Aubrey
Attorneys at Law
Post Office Box 2265
Santa Fe, New Mexico

Re: CASE NO. 9147
ORDER NO. R-8545

Applicant:

Phillips Petroleum Company

Dear Sir:

Enclosed herewith are two copies of the above-referenced
Division order recently entered in the subject case.

Sincerely,

Florene Davidson

FLORENE DAVIDSON
OC Staff Specialist

Copy of order also sent to:

Hobbs OCD x
Artesia OCD x
Aztec OCD

Other Bill Garcia

Received



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

NOV 18 1986

P.B.R. Regulatory Section

TONEY ANAYA
GOVERNOR

November 17, 1986

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88240
(505) 393-6161

Phillips Petroleum Company
4001 Penbrook Street
Odessa, TX 79762

Attn: W. J. Mueller

Re: State 1-2 Well #1-E
Section 2, T19S, R32E
Intention to Plugback

Gentlemen:

We have received your intention to plugback from the Wolfcamp and recompleate the above-referenced well in the Bone Spring. The Bone Spring recompletion will come under the East Lusk-Bone Spring Pool which has special rules that provide for 160-acre spacing.

Please submit Form C-102, acreage dedication plat, dedicating 160 acres to the Bone Spring recompletion.

Very truly yours,

OIL CONSERVATION DIVISION

A handwritten signature in cursive script, reading "Jerry Sexton".

Jerry Sexton
Supervisor, District I

ed

P 140 239 355

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL

(See Reverse)

Sent to	Soi West III
Street and No.	P.O. Box 10120
P.O. State and ZIP Code	El Paso, TX 79992
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to whom and Date Delivered	
Return receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$
Postmark or Date	

PS Form 3800, Feb. 1982 * U.S.G.P.O. 1984-446-014

CERTIFIED

P 140 239 355

MAIL

P 140 239 330

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL

(See Reverse)

Sent to	Shell Oil Company
Street and No.	P.O. Box 2463
P.O. State and ZIP Code	Houston, Texas 77001
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to whom and Date Delivered	
Return receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$
Postmark or Date	

PS Form 3800, Feb. 1982 * U.S.G.P.O. 1984-446-014

CERTIFIED

P 140 239 330

MAIL

P 140 239 329

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL

(See Reverse)

Sent to	J. M. Huber Corp.
Street and No.	2000 West Loop South
P.O. State and ZIP Code	Houston, Texas 77027
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to whom and Date Delivered	
Return receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$
Postmark or Date	

PS Form 3800, Feb. 1982 * U.S.G.P.O. 1984-446-014

CERTIFIED

P 140 239 329

MAIL

P 140 239 358

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL
(See Reverse)

Sent to	Sun Exploration & Prod., Co.
Street and No.	P.O. Box 2880
P.O. State and ZIP Code	Dallas, Texas 75221
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to whom and Date Delivered	
Return receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$
Postmark or Date	

PS Form 3800, Feb. 1982 * U.S.G.P.O. 1984-446-014

CERTIFIED
P 140 239 358
MAIL

P 140 239 357

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL
(See Reverse)

Sent to	Petroleum Development Corp.
Street and No.	9720-B Candelaria Rd. N.E.
P.O. State and ZIP Code	Albuquerque, NM 87112
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to whom and Date Delivered	
Return receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$
Postmark or Date	

PS Form 3800, Feb. 1982 * U.S.G.P.O. 1984-446-014

CERTIFIED
P 140 239 357
MAIL

P 140 239 356

RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL
(See Reverse)

Sent to	Superior Oil Co.
Street and No.	P.O. Box 1521
P.O. State and ZIP Code	Houston, Texas 77251
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to whom and Date Delivered	
Return receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$
Postmark or Date	

PS Form 3800, Feb. 1982 * U.S.G.P.O. 1984-446-014

CERTIFIED
P 140 239 356
MAIL

P 140 239 359

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL

(See Reverse)

Sent to Chevron USA, Inc.	
Street and No. P.O. Box 670	
P.O. State and ZIP Code Hobbs, NM 88240	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to whom and Date Delivered	
Return receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$
Postmark or Date	

* U.S.G.P.O. 1984-446-014

PS Form 3800, Feb. 1982

CERTIFIED

P 140 239 359

MAIL

P 140 239 360

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL

(See Reverse)

Sent to Davol Inc.	
Street and No. P.O. Box 12507	
P.O. State and ZIP Code Ft. Worth, Texas 76116	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to whom and Date Delivered	
Return receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$
Postmark or Date	

* U.S.G.P.O. 1984-446-014

PS Form 3800, Feb. 1982

CERTIFIED

P 140 239 360

MAIL

P 140 239 361

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL

(See Reverse)

Sent to Tenneco Oil Co.	
Street and No. P.O. Box 2511	
P.O. State and ZIP Code Houston, Texas 77001	
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to whom and Date Delivered	
Return receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$
Postmark or Date	

* U.S.G.P.O. 1984-446-014

PS Form 3800, Feb. 1982

CERTIFIED

P 140 239 361

MAIL



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

GARREY CARRUTHERS
CLERK

April 27, 1987

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 393-6161

Received

APR 29 1987

Phillips Petroleum Company
4001 Penbrook
Odessa, TX 79762

P.B.K. Regulation, et al.

Attn: Larry Sanders

Re: State 1-2 Well #1-E
Section 2, T19S, R32E

Gentlemen:

Your recently submitted C-104 (undesigned Bone Springs) on the above-referenced well cannot be approved as an extension to the Upper Querecho Plains Bone Spring Pool. Your perforations 8145 feet thru 9251 feet includes both the upper and lower Querecho Plains Bone Springs interval as well as the Bone Spring above the Upper Querecho Bone Spring interval.

Since the well lies almost equal distance between the East Lusk Bone Spring Pool and the Querecho Plains Bone Spring Pools, the well (as perforated) will come under the East Lusk Bone Spring Pool and as you are aware the East Lusk Bone Spring Pool has 160 acre proration units.

Please resubmit your application for a 120 acre non-standard proration unit or submit a plat dedicating 160 acres to this well. No allowable will be assigned until the NSP is approved or 160 acres is dedicated to the well.

Very truly yours,

OIL CONSERVATION DIVISION


Jerry Sexton
Supervisor, District I

ed



MURPHY OPERATING CORPORATION
UNITED BANK PLAZA, SUITE 300
400 NORTH PENNSYLVANIA AVENUE
POST OFFICE BOX 2648
ROSWELL, NEW MEXICO 88202-2648

Received

DEC 24 1986

TELEPHONE
505 623-7210

December 23, 1986

P.B.R. Regulatory Section

Oil Conservation Division

P. O. Box 2088

Santa Fe, New Mexico 87504-2088

Attention: R.K. Stamets, Director

Re: Phillips Petroleum Company
Request for Administrative Approval
Correspondence dated 11/26/86
State 1-2
Lease No. L-G888
Well No. 1
East Lusk - Bone Spring Field
Lea County, New Mexico

Gentlemen:

This letter is in response to Phillips Petroleum Company's request for administrative approval for exception to Rule No. 2 of the East Lusk - Bone Spring Field Rules, thus allowing a non-standard proration unit of 120-acres as opposed to the normal spacing of 160-acres.

On behalf of Sol West III (and other lease interest holders), we hereby protest and oppose this exception.

East Lusk Bone Spring production is from dolomite reservoirs, whereas in the proposed Phillips' workover well, the reservoir objective is a low permeability sandstone. Both first and second, Bone Spring Sandstone wells typically produce on 40-acre proration units in Lea County fields, such as the Young, EK, Querecho Plains (due north of Phillips' well) and the West Tonto Bone Spring (approximately one mile southeast of Phillips' well) fields. The 40-acre spacing patterns for these low permeability sandstone wells presumably allow for increased drainage efficiency.

If you find it agreeable, we would prefer to designate 40-acre proration units for the wells producing from the Bone Spring Sandstone on the above captioned well and surrounding acreage.

Sincerely,

on behalf of Sol West, III

LOS SIETE EXPLORATION, INC.

George L. Scott III
George L. Scott, III
Vice President

MURPHY OPERATING CORPORATION

Mark B. Murphy
Mark B. Murphy
President

GLS/MBM:dk

cc: Sol West III
P. O. Box 10120
El Paso, Texas 79992

Chevron USA, Inc.
P. O. Box 670
Hobbs, New Mexico 88240

Shell Oil Co.
Box 2463
Houston, Texas 77001

Sun Exploration & Prod. Co.
Box 2880
Dallas, Texas 75221

Davoll, Inc.
P. O. Box 12507
Ft. Worth, Texas 76116

J. M. Huber
2000 West Loop South
Houston, Texas 77027

Tenneco Oil Co.
Box 2511
Houston, Texas 77001

Petroleum Development Corp.
9720-B Candelaria Rd., N.E.
Albuquerque, New Mexico 87112

Superior Oil Company
Box 1521
Houston, Texas 77251

Oil Conservation Division
P. O. Box 1980
Hobbs, New Mexico 88240

✓ Phillips Petroleum Company
4001 Penbrook
Odessa, Texas 79762
Attention: Larry M. Sanders
Regulation & Proration Supervisor



PHILLIPS PETROLEUM COMPANY

ODESSA, TEXAS 79762
4001 PENBROOK

EXPLORATION AND PRODUCTION GROUP

June 4, 1987

State 1-2 Well No. 1
East Lusk - Bone Springs Pool
Request to Continue Examiner's
Hearing, Case No. 9147
Until June 17, 1987

State of New Mexico
Energy and Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico

ATTN: Michael Stogner

Gentlemen:

As per our telephone conversation on June 2, 1987, Phillips Petroleum Company respectfully requests Case No. 9147 be continued until June 17, 1987.

Sincerely,

L. M. Sanders, Supervisor
Regulation and Proration

LMS:1sw
REG/PRO5/State1-2

cc: Oil Conservation Division
Hobbs, N.M.