

Case No.

327

Application, Transcript,
Small Exhibits, Etc.

STATE OF NEW MEXICO
OFFICE OF STATE GEOLOGIST
SANTA FE, NEW MEXICO

December 19, 1951

C

Phillips Petroleum Company
Attention: Mr. C. P. Dimit
Production Department
Bartlesville, Oklahoma

O

Dear Sir:

P

Enclosed is a signed copy of the Oil Conservation Commission's Order R-123, issued on December 18, 1951, in answer to your petition for an exception to OCC Rule 309 (Central Tank Batteries). This was presented before the Commission at the November 20, 1951, hearing, in Case 327.

Y

Very truly yours,

Jason Kellahin, Attorney

JK:mr

Encl.

F

Case no 327

PHILLIPS PETROLEUM COMPANY

PRODUCTION DEPARTMENT

C. P. DIMIT
VICE PRESIDENT

BARTLESVILLE, OKLAHOMA

October 8, 1951

L. E. FITZJARRALD
MANAGER
H. H. KAVELER
ASSISTANT MANAGER
J. M. HOUGHIN
GENERAL SUPERINTENDENT
H. S. KELLY
CHIEF ENGINEER

AIR MAIL

In re: Petition for Exception to Statewide Rule 309 Applying
to Phillips Petroleum Company's Santa Fe Lease, W/2
Section 26, Township 17S, Range 35E, Lea County, New Mexico

New Mexico Oil Conservation Commission
Santa Fe, New Mexico

Gentlemen:

Please accept this as application for hearing on the part of Phillips Petroleum Company seeking exception to Rule 309, "Central Tank Batteries", in respect to Phillips Petroleum Company's Santa Fe Lease in the W/2 Section 26, Township 17S, Range 35E, Lea County, New Mexico, wherein Phillips Petroleum Company petitions for an exception to said rule to permit the production of twelve wells, namely, 30, 31, 34, 41, 42, 43, 48, 11, 17, 22, 23 and 40 into one consolidated tank battery under all other conditions as provided for in the present Rule 309 except that twelve wells will be producing into one battery under the same basic lease instead of eight as provided in said rule.

The granting of such exception will not result in waste but will protect correlative rights and prevent undue hardship, and, more particularly, will accomplish substantial savings in steel represented by at least two 500-bbl. tanks and at least two separators, and further reduce car mileage.

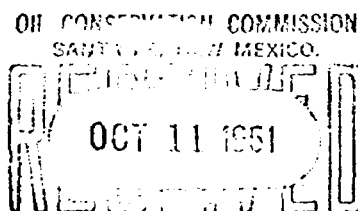
We request that the hearing be set at the earliest possible date convenient to the Commission.

Respectfully submitted,

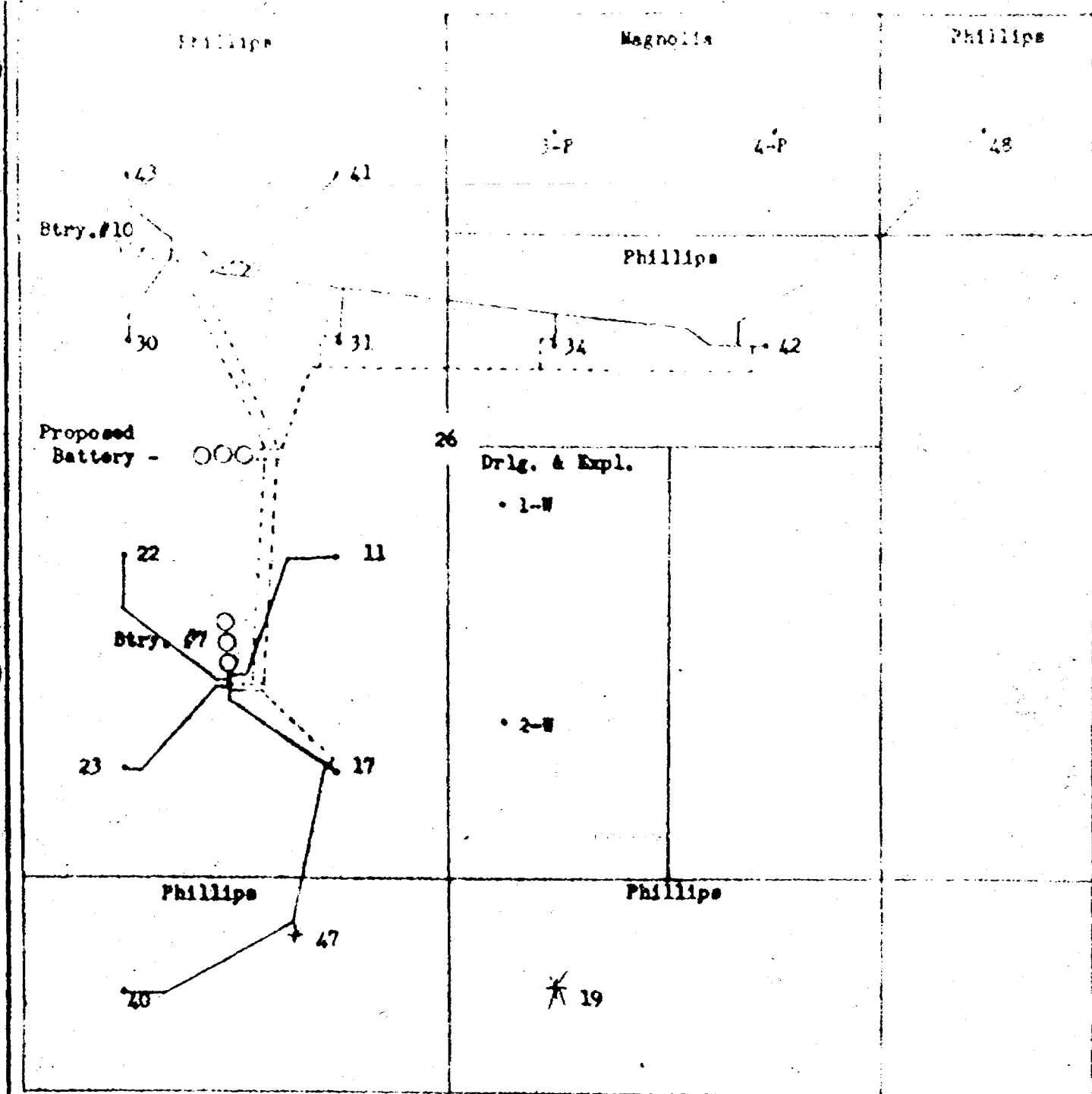


C. P. Dimit

CPD



Ex No 1 Case 327



BARTLESVILLE, OKLAHOMA

SANTA FE LEASE
BATTERIES No. 7 and No. 10
T-17-S R-35E, Lea County, New Mexico

-----Proposed Oil Lines

Existing Oil Lines

DRAWN	JCF	REVISION	BY	DATE	APR. NO	WESTERN REGION
CHECKED					SCALE 5" = 1 mi.	SHEET NO
APPROVED						

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

THE PETITION OF PHILLIPS PETROLEUM
COMPANY FOR AN EXCEPTION TO COMMISSION
RULE 309 "CENTRAL TANK BATTERIES," TO
PERMIT PRODUCTION OF TWELVE WELLS IN
THE W/2 SECTION 26, T.17 S, R.35 E, NMPM,
INTO ONE CONSOLIDATED TANK BATTERY

CASE No. 327
ORDER No. R-123

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 10:00 a.m., November 20, 1951, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," all members being present.

NOW, this 18 day of December, the Commission, a quorum being present, having considered the testimony adduced and the exhibits received 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 and the subject matter thereof.

(2) That the Phillips Petroleum Company holds a certain lease, designated as the Santa Fe Lease, in Section 26, Township 17 South, Range 35 East, NMPM, Lea County, New Mexico, on which are twelve producing wells designated as Nos. 30, 31, 34, 41, 42, 43, 48, 11, 17, 22, 23, and 40.

(3) That, in order to facilitate the production of these wells, it is desirable that petitioner be allowed to produce said wells into one central tank battery, contrary to provisions of Commission Rule No. 309, said rule being Rule 309 of the New Mexico Oil Conservation Commission Rules and Regulations, effective January 1, 1950, and that an exception should be made to said Rule 309.

(4) That the granting of such exception will prevent waste, protect correlative rights, prevent undue hardship, and accomplish substantial savings in steel.

IT IS THEREFORE ORDERED:

That the Phillips Petroleum Company be, and the same hereby is granted permission to produce twelve wells on its Santa Fe Lease, W/2 section 26, Township 17 South, Range 35 East, NMPM, Lea County, New Mexico, into one consolidated tank battery, said wells being designated as wells Nos. 30, 31, 34, 41, 42, 43, 48, 11, 17, 22, 23 and 40, as an exception to Commission Rule 309, New Mexico Oil Conservation Commission Rules and Regulations, January 1, 1950.

IT IS FURTHER ORDERED:

That this order be conditioned upon strict compliance upon the part of petitioner, its successors or assigns, with all provision of said Rule 309, save only the exception herein granted, otherwise this order is to be of no force or effect whatever.

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

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

Edwin L. Mechem
EDWIN L. MECHEM, Chairman

Guy Shepard
GUY SHEPARD, Member

R. R. Spurrer
R. R. SPURRIER, Secretary

BEFORE THE
OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO

TRANSCRIPT OF HEARING

CASE NO. 327

November 20, 1951

E. E. GREESON
ADA DEARNLEY
COURT REPORTERS
BOX 1302
PHONES 5-9422 AND 5-9546
ALBUQUERQUE, NEW MEXICO

BEFORE THE
OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO

- - -

In Re:

In the Matter of the application of
Phillips Petroleum Company for an
exception to Commission Rule 309
(Central Tank Batteries) to permit
production of 12 wells in W/2 26-17S-
35E into one consolidated tank battery.)

Case No. 327

TRANSCRIPT OF HEARING

November 20, 1951

ADA DEARNLEY, COURT REPORTER

(Mr. Kellahin reads the notice of publication.)

MR. FOSTER: I would like to make a little statement about that, too. I don't see any necessity to putting on any testimony unless somebody wants it. The rule gives you eight. We want twelve. You have another rule that gives us that, and that is Rule 1 B. That gives you the right to have extension to Rule 309. I have a plat here that I will introduce. We have it marked up a little bit. This plat shows that we have two tank batteries located here in this section. It is in Section 26, Township 17 South, Range 35 East, Lea County, New Mexico. We have tank battery No. 10 and tank battery No. 7. Going into tank battery No. 10, I think we have seven or eight wells. Going into battery No. 7, we have five wells but one of them is plugged. That just leaves five. That makes up twelve wells and we want to move our tank battery down to more central location and put all of these twelve wells into that one tank battery. It is on State land and the royalty owners are all common. We can give you a well test at certain periods to show that we are doing what is right about it, and we are not producing oil out of one well for some other well that isn't producing any oil. I can't see any objection to it unless the Commission can find some objection to it. It will save us some steel. It will save us quite a bit of trouble in sending these checkers around to check the different batteries. The car mileage and things of that sort.

CHAIRMAN SPURRIER: When you say it is common lease.

MR. FOSTER: Common lease, common ownership all the way throughout.

CHAIRMAN SPURRIER: It is all common?

MR. FOSTER: It is all common.

(Marked Exhibit Number One in Case 327.)

CHAIRMAN SPURRIER: You want to offer this?

MR. FOSTER: Yes.

CHAIRMAN SPURRIER: Without objection, this exhibit will be admitted.

MR. FOSTER: In our letter we wrote it tells the whole story about it.

MR. WHITE: Under your proposal you will have adequate tankage and other facilities to show the production from each well as required by the rule?

MR. FOSTER: Yes, we can give you what is coming from each well and you can establish a periodical well test if you like so you can see what each well is producing into the common tank battery. We worked out this sort of thing with the State of Texas in a good many instances. We have been operating under that since just before World War II. It has worked out satisfactorily.

CHAIRMAN SPURRIER: There seems to be no objection, but the case will be taken under advisement. We will proceed to Case No. 329.

STATE OF NEW MEXICO)
COUNTY OF BERNALILLO) ss

I HEREBY CERTIFY that the foregoing and attached Transcript of Proceedings in Case No. 327, before the Oil Conservation Commission, taken on November 20, 1951, is a true and correct record of the same to the best of my knowledge, skill and ability.

DATED at Albuquerque, New Mexico, Dec. 5th,
1951.

Ada Dearnley
REPORTER