

Entered Book 23, 1963
A.P.

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. 2745
Order No. R-2362-A

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 January 28, 1963, 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 1st day of February, 1963, 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 Mexco "A" Well No. 2 is adjacent to the Boller-Nichols Waterflood Project and is receiving a response from the injection of water into said waterflood project.

(4) That, by Order No. R-2362 issued in Case No. 2690, the applicant was authorized to produce its Mexco "A" Well No. 2 at its maximum capacity for a temporary period not to exceed 60 days from the date of Order No. R-2362.

(5) That Order No. R-2362 further provided that the Mexco "A" Well No. 2 would be eligible to share in the Boller-Nichols Waterflood Project allowable at the termination of the temporary 60-day maximum capacity production period provided its acreage

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had been unitized with acreage lying directly south thereof and in the Boller-Nichols Waterflood Project Area.

(6) That the applicant has failed to establish that all reasonable efforts have been made to include the subject well in the Boller-Nichols Waterflood Project Area or to form a new waterflood project area to enhance the efficiency of the Boller-Nichols Waterflood Project and provide the Mexco "A" Well No. 2 with an increased allowable based on a waterflood project area.

(7) That the applicant should be allowed to produce its Mexco "A" Well No. 2 at a maximum allowable of 42 barrels of oil per day in order to reduce the possibility of loss that might result from oil being swept past the subject well by the Boller-Nichols Waterflood Project.

(8) That wells in the Boller-Nichols Waterflood Project Area receive a project allowable credit of 42 barrels of oil per day; that approval of an allowable greater than 42 barrels of oil per day for the Mexco "A" Well No. 2 would violate the correlative rights of persons owning an interest in the Boller-Nichols Waterflood Project.

(9) That the Mexco "A" Well No. 2 should be assigned an allowable of 42 barrels of oil per day.

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 the rate of 42 barrels of oil per day.

(2) That the Mexco "A" Well No. 2 shall be eligible to share in the Boller-Nichols Waterflood Project allowable 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.

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DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

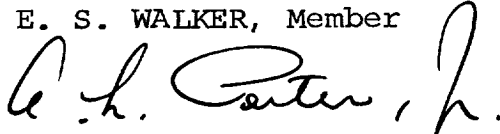
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



JACK M. CAMPBELL, Chairman



E. S. WALKER, Member



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

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