

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED BY  
THE OIL CONSERVATION COMMISSION OF THE  
STATE OF NEW MEXICO FOR THE PURPOSE OF  
CONSIDERING:

CASE NO. 160

ORDER NO. 795

THE APPLICATION OF PHILLIPS PETROLEUM  
COMPANY, BARTLESVILLE, OKLAHOMA, FOR AN  
EXCEPTION TO ORDER NO. 72, EFFECTIVE  
AUGUST 1, 1937, AMENDING ORDER NO. 52  
AND FOR AN ORDER AUTHORIZING A CENTRAL  
TANK BATTERY FOR CERTAIN LEASES IN SECTION  
32, TOWNSHIP 12 SOUTH, RANGE 32 EAST, LEA  
COUNTY, NEW MEXICO

ORDER OF THE COMMISSION

BY THE COMMISSION:

This matter came on for hearing at 10:00 o'clock a.m. on the 28th day of October, 1948, at Santa Fe, New Mexico, before the Oil Conservation Commission of the State of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 19th day of November, 1948, the Commission, having before it for consideration the testimony adduced at said hearing and being fully advised in the premises,

FINDS:

1. That due public notice having been given, as provided by law, the Commission has jurisdiction of this cause.
2. That the acreage involved in this application is all State Land and that all royalty under all of said acreage is owned by the Common School Fund of the State of New Mexico.
3. That the acreage involved in this application has been leased for oil and gas purposes by the State of New Mexico, acting by and through its Commissioner of Public Lands, as lessor, under State Lease Numbers B-10213, B-10357, B-11330, and B-10839 (which leases also cover lands which are not the subject of this application) and that said oil and gas leases are now owned by the said Phillips Petroleum Company.
4. That the acreage which is the subject of this application consists of nine contiguous forty-acre units comprising 360 acres in the Caprock Pool of Chaves and Lea Counties, New Mexico.
5. That the establishment and operation of a central tank battery as requested by this application will enable Phillips Petroleum Company to operate said leases more efficiently and will extend the economic life of wells located thereon, and will result in a greater ultimate recovery of oil therefrom; and that the establishment and operation of such central tank battery will be in the interest of conservation, will prevent waste, and will enable Phillips Petroleum Company to produce oil that would not otherwise be recovered.
6. That Order No. 792, effective September 21, 1948, amending Order No. 72, effective August 1, 1937, amending Order No. 52, of this Commission, provides that exceptions may be made at the discretion of the Commission.

7. That this is a proper case for the Commission to grant an exception to the said Order No. 72.

IT IS, THEREFORE, ORDERED, that the application of Phillips Petroleum Company for an exception to Order No. 72 of this Commission, effective August 1, 1937, amending Order No. 52, be, and the same is hereby, granted and approved, and that the said Phillips Petroleum Company be, and it is hereby, authorized to establish, maintain, and operate a central tank battery for all wells located upon or which may be hereafter drilled on the NE/4 NE/4, SE/4 NE/4, NE/4 SE/4, SW/4 NW/4, SE/4 NW/4, SE/4 SE/4, NW/4 NE/4, SW/4 NE/4, and NE/4 NW/4 all in section 32, Township 12, South, Range 32, East, Lea County, New Mexico.

IT IS FURTHER ORDERED, that Phillips Petroleum Company be, and it is hereby, authorized to designate a single lease name for the above described tracts and to re-name and re-number the wells heretofore drilled thereon in accordance with the lease name so designated. Amended forms shall be filed with respect to the wells so re-named and re-numbered, and all wells hereafter drilled thereon shall be designated by such lease name and numbered consecutively.

IT IS FURTHER ORDERED, that adequate tankage and other equipment be established and maintained in connection with such central tank battery so that the production from each well can be accurately determined at reasonable intervals.

IT IS FURTHER ORDERED, that no well located upon or hereafter drilled on the above described tracts shall be permitted to produce at a rate in excess of the top allowable as fixed by the Commission.

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

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Chairman

*John E. Miles*  
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Member

*R. L. Purrier*  
\_\_\_\_\_  
Secretary