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BEFORE THE OIL CONSERVATION COMMISSION OF  
THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION  
OF PHILLIPS PETROLEUM COMPANY FOR  
AN ORDER ESTABLISHING SPECIAL RULES  
AND REGULATIONS FOR THE RANGER  
LAKE - PENNSYLVANIAN POOL, LEA  
COUNTY, NEW MEXICO, TO PROVIDE FOR  
80-ACRE PRORATION UNITS

NO. \_\_\_\_\_

A P P L I C A T I O N

Comes now Phillips Petroleum Company and makes this Application for an order promulgating special rules and regulations, to provide for 80-acre proration units, for the Ranger Lake-Pennsylvanian Pool, Lea County, New Mexico, and in support of the Application states:

1.

On the 26th day of August, 1959, the Oil Conservation Commission in Case No. 1668, Order No. R-1418-B, adopted an order promulgating, effective September 1, 1959, temporary special rules and regulations for the Ranger Lake-Pennsylvanian Pool in Lea County, New Mexico, to provide for 80-acre proration units. Said order, to which reference is made for all its terms and provisions, provided that the case should be reopened at the regular monthly hearing of the Commission in August, 1960, to permit any operator to appear and show cause why said Pool should continue to be developed on 80-acre proration units.

Phillips Petroleum Company desires to appear at said hearing set for August 17, 1960, and show that said Pool should continue to be developed on 80-acre proration units, and therefore files this Application.

2.

According to the Commission's Southeast Pool Nomenclature, the Ranger Lake-Pennsylvanian Pool is presently described horizontally as SE/4 of Section 22, all of Section 23, SW/4 of Section 24, N/2 of NW/4 of Section 25, West Half of Section 26, N/2 of NE/4 of Section 26, East Half of Section 27, N/2 of SE/4 of Section 34, NE/4 of Section 34, and W/2 of NW/4 of Section 35, all in Township 12 South, Range 34 East, NMPM, Lea County, New Mexico, said designation having been established by this Commission by its orders R-928, R-1042, R-1118, R-1324, R-1441, R-1509, R-1559, and R-1652.

3.

A well density of no more than one well to each 80 acres has heretofore been maintained in the development of said Pool.

4.

Applicant states and will show that one well can efficiently and economically drain 80 acres in said Pool and that special rules and regulations should be adopted establishing 80-acre proration units for said Pool and in the area above described, each unit to be half (N/2, S/2, E/2 or W/2) of a quarter section of the United States Land Surveys and the well thereon to be located in the center of one of the two 40-acre quarter quarter sections comprising the unit, with a tolerance allowance of up to 150 feet in any direction from the center of the quarter quarter section when such tolerance is necessary in order to avoid structures or natural obstructions rendering drilling impossible or impracticable.

5.

Such spacing of wells as herein requested will insure orderly development of said Pool, protect correlative rights, prevent possible waste, and prevent the economic loss caused by the drilling of unnecessary wells. Furthermore, it may be uneconomical to drill wells in said Pool on less than 80-acre spacing and further development may be impeded unless 80-acre proration units are established.

6.

Applicant further requests that the Commission enter such other special rules and regulations for the Ranger Lake-Pennsylvanian Pool as it shall deem proper and justified in view of the evidence presented at the hearing herein requested.

7.

Applicant will not oppose a provision in the order requested by this application that any well which was drilled to and producing from the Ranger Lake-Pennsylvanian Pool prior to September 1, 1959, which presently has 40 acres dedicated to it, and to which cannot be dedicated an 80-acre unit which can reasonably be presumed to be productive of oil from the Ranger Lake-Pennsylvanian Pool, shall continue to be assigned an allowable equal to normal unit allowable times the 40-acre proportional factor for said Pool of 4.67, all as was provided in Order No. R-1418-B referred to above. Such exception should apply only to the Gordon Cone Well No. 2-24, located in the SW/4 SW/4 of Section 24, Township 12 South, Range 34 East, NMPM, Lea County, New Mexico.

8.

The names and addresses of other operators owning interests in the Ranger Lake-Pennsylvanian Pool (and in the areas to be affected by the order herein sought), so far as are known to applicant, are as listed on Exhibit "A" attached.

WHEREFORE, Phillips Petroleum Company, the applicant herein, prays the Commission to set this application for a public hearing before the Commission at the regular monthly hearing of the Commission set for August 17, 1960, that notices be issued according to law, and that after such hearing this Application be in all things granted.

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