

KELLAHIN, KELLAHIN AND AUBREY

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Area Code 505

June 22, 1987

RECEIVED

JUN 23 1987

OIL CONSERVATION DIVISION

Mr. William L. LeMay
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504

"Hand Delivered"

Re: Application of Phillips Petroleum
Company for Special Capacity Allowable *Case 9176*
Lea County, New Mexico

Dear Mr. LeMay:

Please set the enclosed application for hearing on
the next available docket now scheduled for July 15,
1987.

Very truly yours,



W. Thomas Kellahin

WTK:ca

Enc.

cc: G. R. Smith
Phillips Petroleum Company
4001 Penbrook
Odessa, Texas 79762

William Mueller
Phillips Petroleum Company
4001 Penbrook
Odessa, Texas 79762

All Parties on Exhibit "A" to Application

STATE OF NEW MEXICO
DEPARTMENT OF ENERGY AND MINERALS
OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION
OF PHILLIPS PETROLEUM COMPANY FOR
SPECIAL CAPACITY ALLOWABLE,
LEA COUNTY, NEW MEXICO.

RECEIVED

JUN 24 1987
CASE: 9176
OIL CONSERVATION DIVISION

A P P L I C A T I O N

COMES NOW PHILLIPS PETROLEUM COMPANY, by and through its attorneys, Kellahin, Kellahin & Aubrey and applies to the New Mexico Oil Conservation Division for approval of a special capacity allowable for production from its Philmex Lease Well No. 19, located in Unit H, Section 35, T17S, R33E, Vacuum-Grayburg/San Andres Pool.

Applicant further seeks the approval of a similar special capacity allowable for proration from wells to be drilled at the following locations:

- (1) Unit B of Section 35, T17S, R33E, NMPM;
- (2) Unit G of Section 35, T17S, R33E, NMPM, and;
- (3) Unit D of Section 36, T17S, R33E, NMPM, all in Lea County, New Mexico and in support thereof would show:

1. Applicant is the operator of the subject well and the proposed operator for the three additional wells to be drilled.

2. Offsetting operators to whom notice has been provided pursuant to Division rules are as shown on Exhibit "A".

3. The Philmex Lease Well No. 19 has encountered substantial high pressure production response to water injection and in order to avoid waste the allowable for said well must be increased and the oil produced before it migrates beyond the wellbore.

4. The current depth bracket allowable of 80 barrels of oil per day is insufficient to allow the applicant to produce the oil before the oil is swept beyond the wellbore as a result of waterflood operations.

5. Applicant requests that the subject wells be authorized to produce an allowable equal to their respective capacities to produce what applicant believes will be in the range of 350 barrels of oil per day.

WHEREFORE, applicant requests that the subject application be set for hearing and that after notice and hearing the application be granted.

Respectfully submitted:



By
W. Thomas Kellahin
P. O. Box 2265
Santa Fe, NM 87504

Exhibit "A"

Arco Oil and Gas Company
P. O. Box 1610
Midland, Texas 79701

Chevron, U.S.A. Inc.
P. O. Box 1150
Midland, Texas 79702

Harvey E. Yates Company
Box 1933
Roswell, New Mexico 88201

Union Oil Company of California
Box 671
Midland, Texas 79702

Pennzoil Company
P. O. Drawer 1828
Midland, Texas 79702-1828

STATE OF NEW MEXICO
DEPARTMENT OF ENERGY AND MINERALS
OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION
OF PHILLIPS PETROLEUM COMPANY FOR
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CASE: 9176

CERTIFICATE OF MAILING
AND
COMPLIANCE WITH ORDER R-8054

In accordance with Division Rule 1207 (Order R-8054)
I hereby certify that on June 23, 1987, notice of the
hearing, and a copy of this application, were mailed at
least twenty days prior to hearing originally set for
July 15, 1987 to the operators and interested parties
listed in Exhibit "A" attached to application.


W. Thomas Kellahin

SUBSCRIBED AND SWORN to before me this 23rd day of
June, 1987.


Notary Public

My Commission Expires:

1-20-87