



**PHILLIPS PETROLEUM COMPANY**

ODESSA, TEXAS 79762  
4001 PENBROOK

EXPLORATION AND PRODUCTION GROUP  
Permian Basin Region

November 14, 1994

Re: Surface Commingling  
Sims Well Numbers  
1, 2, 3, 4, 5, 6, 7,  
8, 9, and 10  
Lea County, New Mexico

State of New Mexico  
Energy and Minerals Natural Resources Dept.  
Oil Conservation Division  
2040 S. Pacheco  
Santa Fe, New Mexico 87504



NOV 21 1994

CONSERVATION

Gentlemen:

Phillips Petroleum Company requests your approval to Surface Commingle the oil production from the Sims Lease. Listed below are the Wells and Pools of which each one produces from.

- Sims #1 - Brunson Drinkard-Abo South and Blinebry Oil & Gas Pools
- Sims #2 - Brunson Drinkard-Abo South and Blinebry Oil and Gas Pools
- Sims #3 - Brunson Drinkard-Abo South and Tubb Oil and Gas Pools
- Sims #4 - Brunson Drinkard-Abo South and Blinebry Oil and Gas Pools
- Sims #5 - Blinebry Oil and Gas Pool
- Sims #6 - Brunson Drinkard-Abo South, Brunson Ellenburger East, Brunson McKee East, and Tubb Pools
- Sims #7 - Wantz Granite Wash Pool
- Sims #8 - Wantz Granite Wash Pool
- Sims #9 - Wantz Blinebry and Wantz Granite Wash Pools
- Sims #10 - Tubb Pool

Phillips has 100 percent ownership of these wells. The Oil production will be measured by well tests. Texas New Mexico Pipeline is the oil gatherer.

Please advise me at (915)368-1488 if you have any questions.

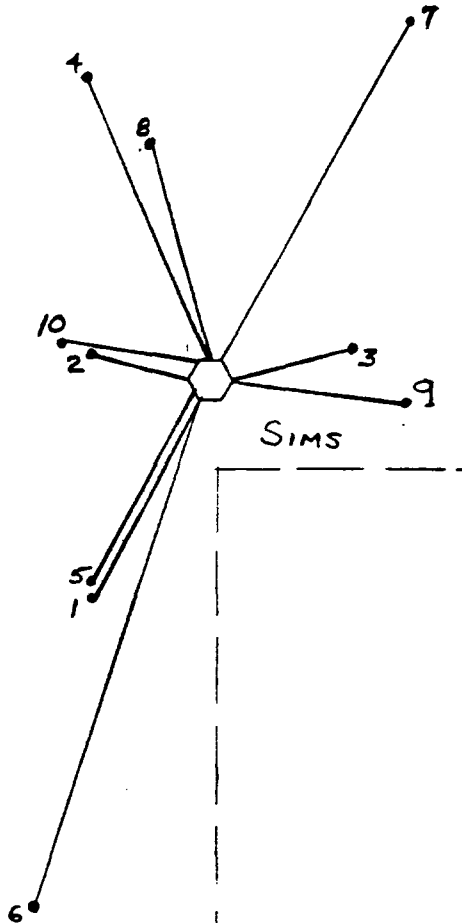
Sincerely,



L. M. Sanders, Supervisor  
Regulatory Affairs

Attachments



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NO.		REVISION		BY	DATE	CHKD	APP'D
FOR BIDS		<div style="display: flex; justify-content: space-between; align-items: center;"> <div>  <b>PHILLIPS PETROLEUM COMPANY</b>            BARTLESVILLE, OKLAHOMA         </div> <div>  </div> </div>				AFE NO.	FILE CODE
FOR APPR		<div style="text-align: center;"> <p>SIMS LEASE</p> <p>SEC. 24 T-22-S R-37-E</p> <p>LEA COUNTY, NEW MEXICO</p> </div>				SCALE <i>NONE</i> UNLESS OTHERWISE NOTED	
FOR CONST						DWG NO.	
DRAWN	DGH					SH NO.	
CHECKED							
APP'D							

SIMS LEASE - SURFACE COMMINGLE APPLICATION

<u>FORMATION</u>	<u>PRODUCTION (BBL/DAY)</u>	<u>GRAVITY API (@ 60 f)</u>	<u>PRICE (\$/BBL)</u>	<u>VALUE (\$/Day)</u>
TUBBS	5	40.0	16.29	\$ 81.45
BLINEBRY	45	37.5	16.29	\$ 733.05
DRINKARD	10	37.8	16.29	\$ 162.90
GRANITE WASH	55	38.0	16.29	\$ 895.95
ABO	5	38.0	16.29	\$ 81.45
COMMINGLED	120	37.9	16.29	\$1,954.80

NOTE: It is anticipated that Phillips Petroleum Company will be paid the same price for the commingled oil production from the Sims lease wells. No value will be lost when the oil is surface commingled.