

Entered March 10, 1976

JAR

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. 5640
Order No. R-5178

APPLICATION OF PHILLIPS PETROLEUM
COMPANY FOR DOWNHOLE COMMINGLING,
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on March 3, 1976, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 10th day of March, 1976, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, 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 Sims Well No. 6, located in Unit M of Section 24, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico.
- (3) That the applicant seeks authority to commingle East Brunson-Ellenburger, East Brunson-McKee and Drinkard oil production within the wellbore of the above-described well.
- (4) That from the East Brunson-Ellenburger zone, the subject well is capable of low marginal production only.
- (5) That from the East Brunson-McKee zone, the subject well is capable of low marginal production only.
- (6) That from the Drinkard zone, the subject well is capable of low marginal production only.
- (7) That the proposed commingling may result in the recovery of additional hydrocarbons from each of the subject pools, thereby preventing waste, and will not violate correlative rights.

-2-

Case No. 5640
Order No. R-5178

(8) That the reservoir characteristics of each of the subject zones are such that underground waste would not be caused by the proposed commingling provided that the well is not shut-in for an extended period.

(9) That to afford the Commission the opportunity to assess the potential for waste and to expeditiously order appropriate remedial action, the operator should notify the Hobbs district office of the Commission any time the subject well is shut-in for 7 consecutive days.

(10) That in order to allocate the commingled production to each of the commingled zones in the subject well, 30 percent and 10 percent of the commingled oil and gas production, respectively, should be allocated to the East Brunson-Ellenburger zone, 30 percent and 10 percent of the commingled oil and gas production, respectively, to the East Brunson-McKee zone, and 40 percent and 80 percent of the commingled oil and gas production, respectively, to the Drinkard zone.

(11) That the Commission's Administrative Order DHC-126 should be superseded.

IT IS THEREFORE ORDERED:

(1) That the applicant, Phillips Petroleum Company, is hereby authorized to commingle East Brunson-Ellenburger, East Brunson-McKee and Drinkard oil production within the wellbore of the Sims Well No. 6, located in Unit M of Section 24, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico.

(2) That the commingled oil and gas production shall be allocated to the various zones in accordance with the percentages set out in Finding (10) above.

(3) That the operator of the subject well shall immediately notify the Commission's Hobbs district office any time the well has been shut-in for 7 consecutive days and shall concurrently present, to the Commission, a plan for remedial action.

(4) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

-3-

Case No. 5640
Order No. R-5178

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

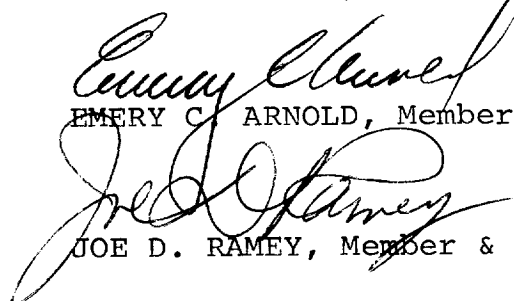
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



PHIL R. LUCERO, Chairman



EMERY C. ARNOLD, Member



JOE D. RAMEY, Member & Secretary

S E A L

jr/