

Entered October 18, 1977
JLR

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. 6029
Order No. R-5541

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 September 14, 1977, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 18th day of October, 1977, 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 Tubb, Drinkard, East Brunson-McKee and East Brunson-Ellenburger production within the wellbore of the above-described well.

(4) That from each of said zones, the subject well is capable of low marginal production only.

(5) 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.

(6) That by Order No. R-5178, dated March 10, 1976, the Commission authorized the commingling of Drinkard, Ellenburger, and McKee production in the wellbore of the subject well, and that said order should be superseded.

(7) 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.

-2-

Case No. 6029
Order No. R-5541

(8) 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.

(9) That in order to allocate the commingled production to each of the commingled zones in the subject well, 30 percent and 40 percent of the commingled oil and gas production, respectively, should be allocated to the Tubb zone, 30 percent and 50 percent of the commingled oil and gas production, respectively, to the Drinkard zone, 20 percent and 5 percent of the commingled oil and gas production, respectively, to the East Brunson-McKee zone, and 20 percent and 5 percent of the commingled oil and gas production, respectively, to the East Brunson-Ellenburger zone.

IT IS THEREFORE ORDERED:

(1) That the applicant, Phillips Petroleum Company, is hereby authorized to commingle Tubb, Drinkard, East Brunson-McKee and East Brunson-Ellenburger 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 30 percent and 40 percent of the commingled oil and gas production, respectively, shall be allocated to the Tubb zone, 30 percent and 50 percent of the commingled oil and gas production, respectively, shall be allocated to the Drinkard zone, 20 percent and 5 percent of the commingled oil and gas production, respectively, to the East Brunson-McKee zone, and 20 percent and 5 percent of the commingled oil and gas production, respectively, shall be allocated to the East Brunson-Ellenburger zone.

(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 Commission Order No. R-5178, dated March 10, 1976, is hereby superseded.

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

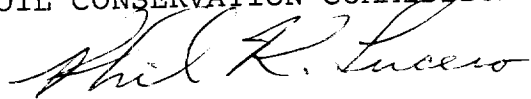
-3-

Case No. 6029

Order No. R-5541

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

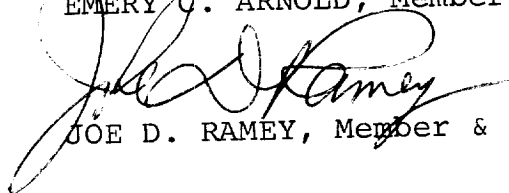
STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



PHIL R. LUCERO, Chairman



EMERY C. ARNOLD, Member



JOE D. RAMEY, Member & Secretary

S E A L

jr/