



PHILLIPS PETROLEUM COMPANY

ODESSA, TEXAS 79762
4001 PENBROOK

EXPLORATION AND PRODUCTION GROUP

June 20, 1989

RECEIVED

JUN 22 1989

OIL CONSERVATION DIV.
SANTA FE

Application for Exception to
Statewide Rule No. 303-C
Downhole Commingle Production

State of New Mexico
Energy, Minerals and Natural Resources Dept.
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

Attn: William J. LeMay, Director

Gentlemen:

In accordance with Statewide Rule 303-C3, Phillips Petroleum Company respectfully requests approval to downhole commingle production on our New, Well No. 1. Pertinent well information and data is included herein:

- (a) Name and address of operator:
Phillips Petroleum Company
4001 Penbrook Street
Odessa, Texas 79762
- (b) New Lease, Well No. 1
Unit A, 660' FNL and 330' FEL
Section 26, T-20-E, R-36-E
Lea County, New Mexico

Pools to be commingled:
Eunice Monument-Grayburg/San Andres (oil)
Eumont-Yates-Seven Rivers-Queen (oil)
- (c) Plat of area showing acreage dedicated to the well.
- (d) Current productivity test:
The Eunice Monument-Grayburg/San Andres zone produced 1.25 BO, 50 BW and 105 MCFG in 24 hours. C-116 attached.
- (e) Allocation of commingled production will be 100% to the Eunice Monument-Grayburg/San Andres pool.

Well completion history - wellbore sketch is attached: Well was originally completed in January, 1938, as a flowing oil well in the Eunice Monument-Grayburg/San Andres pool from 3696'-3850'. Surface pumping equipment was installed in November, 1971. On April 23, 1982, open hole interval from 3703'-3819' was perforated, interval from 3696'-3850' was treated with 5000

gallons of 15% NEFE HCL acid. By NMOCD Order No. R-520, the subject well was placed in the Eumont-Yates-Seven Rivers-Queen pool effective September 1, 1955. The well was deepened from 3850'-3890', open hole interval perforated and treated with 3000 gallons of 15% NEFE HCL acid, and completed as an oil producer from open hole interval 3696'-3890'.

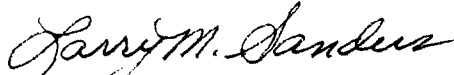
Current production is 5 BOPD and 62 MCFGPD declining at 20% per year. Both zones are to be produced together - well is currently being pumped.

- (f) The bottom hole pressure of the Queen zone was measured at 634 psi at 3670' in July, 1985. The bottom hole pressure of the Grayburg/San Andres has not been measured; it is anticipated that the fluid level in the well will be within 100' of the Grayburg/San Andres interval when the well is pumping.
- (g) A description of fluid characteristics is unavailable for each zone.
- (h) The value of the commingled streams based on productivity test:
 $(1.25 \text{ BOPD}) \times \$16.30/\text{BBL} = \$ 20/\text{day}$
 $+ (105 \text{ MCFG}) \times \$ 0.94/\text{MCF} = \$ 99/\text{day}$
Total Commingled Production = \$199/day
- (i) Formula for allocation of production:
Eunice Monument-Grayburg/San Andres: 100% of oil, gas and water production.
- MONTHLY OIL (GB/SA) = (TOTAL BOPM) x 1.0
MONTHLY GAS (GB/SA) = (MONTHLY OIL) (GB/SA) x 1.0
MONTHLY WATER (GB/SA) = (TOTAL BWPM) x 1.0
- Eumont Yates-Seven Rivers-Queen: 0% of oil, gas and water production.
- (j) All offset operators indicated on the attached list were notified by copy of this application sent June 20, 1989.

The ownership (including working interest, royalty, and overriding royalty) of the Eunice Monument-Grayburg/San Andres pool and the Eumont Yates-Seven Rivers-Queen pool is common to both zones. Commingling will not jeopardize the efficiency of present or future secondary recovery operations in either zone.

Your early consideration and approval will be appreciated. Direct any questions to the attention of Susan Courtright, telephone (915) 367-1418 or to me.

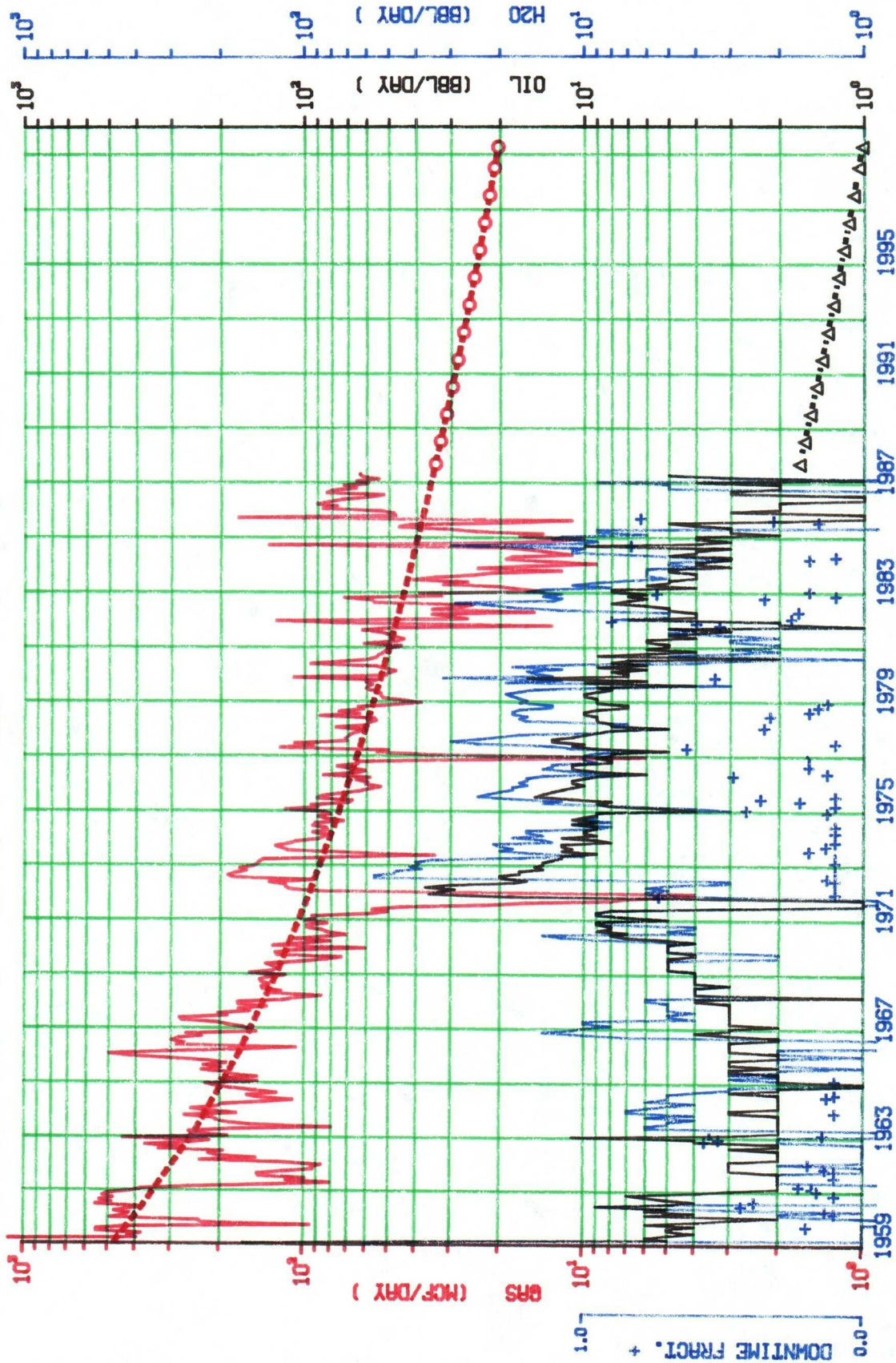
Very truly yours,



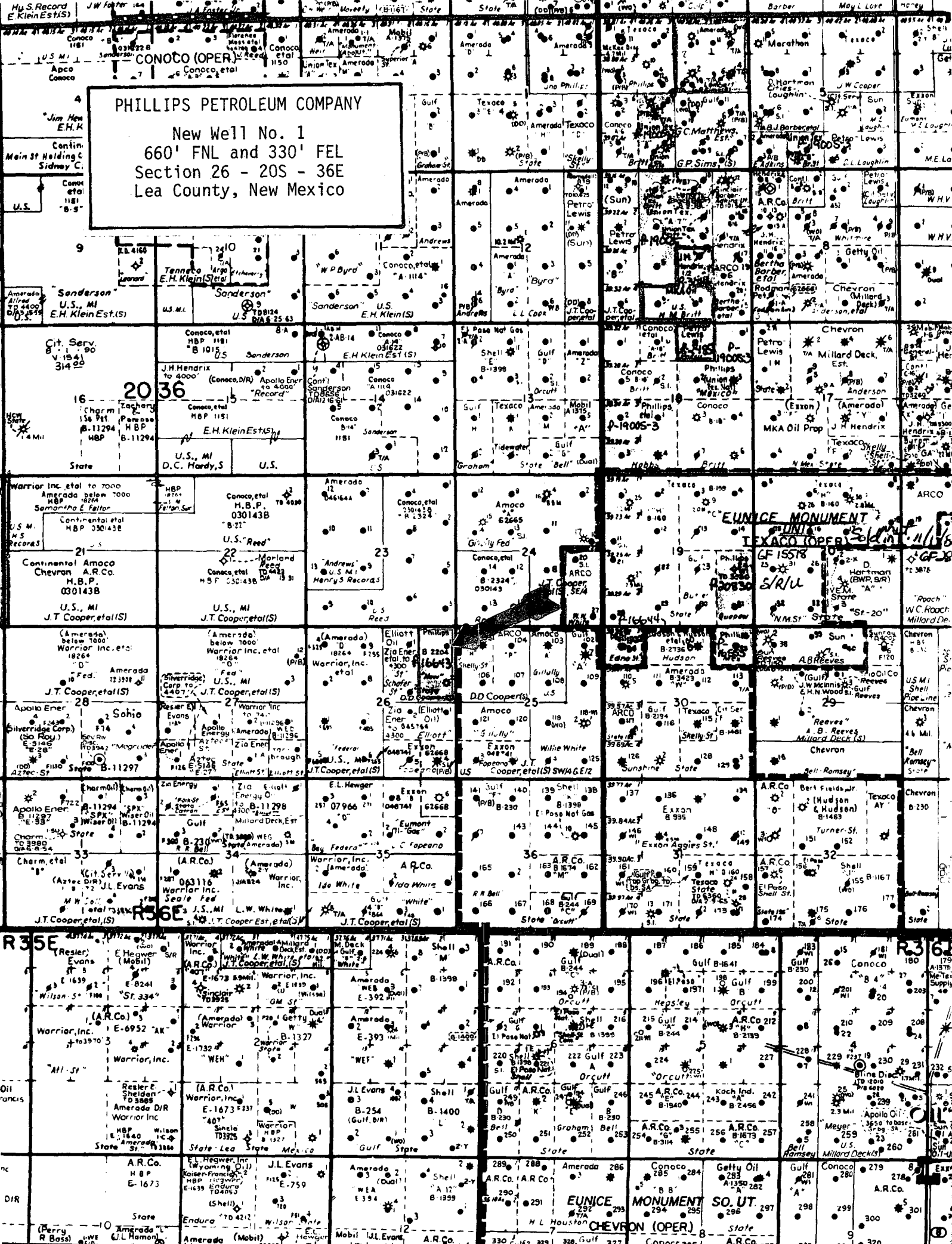
Larry M. Sanders, Supervisor
Regulation and Proration

LMS:VAP:kjw
i:regpro\apinc\app

1 /59-4 /87 5 /87-LIFE ASSOC.
 1.7
 5.
 INITIAL PROD / DAY : 473.4 34.5
 REMAINING LIFE : 28.33 12.16
 HYPR (0.50) DECL % : 20.10 5.43
 CUM PRODUCTN-MUNITS : 1432. 111.
 FINAL PROD / DAY : 34.5 20.0



LEASE- 600012: NEW
 RESVR- 170: YATES 7R ON
 WELL - 00001
 PPROD SINGLE WELL 600012 170 00001
 NM 46, CL- 0, PM- PH, CT- S

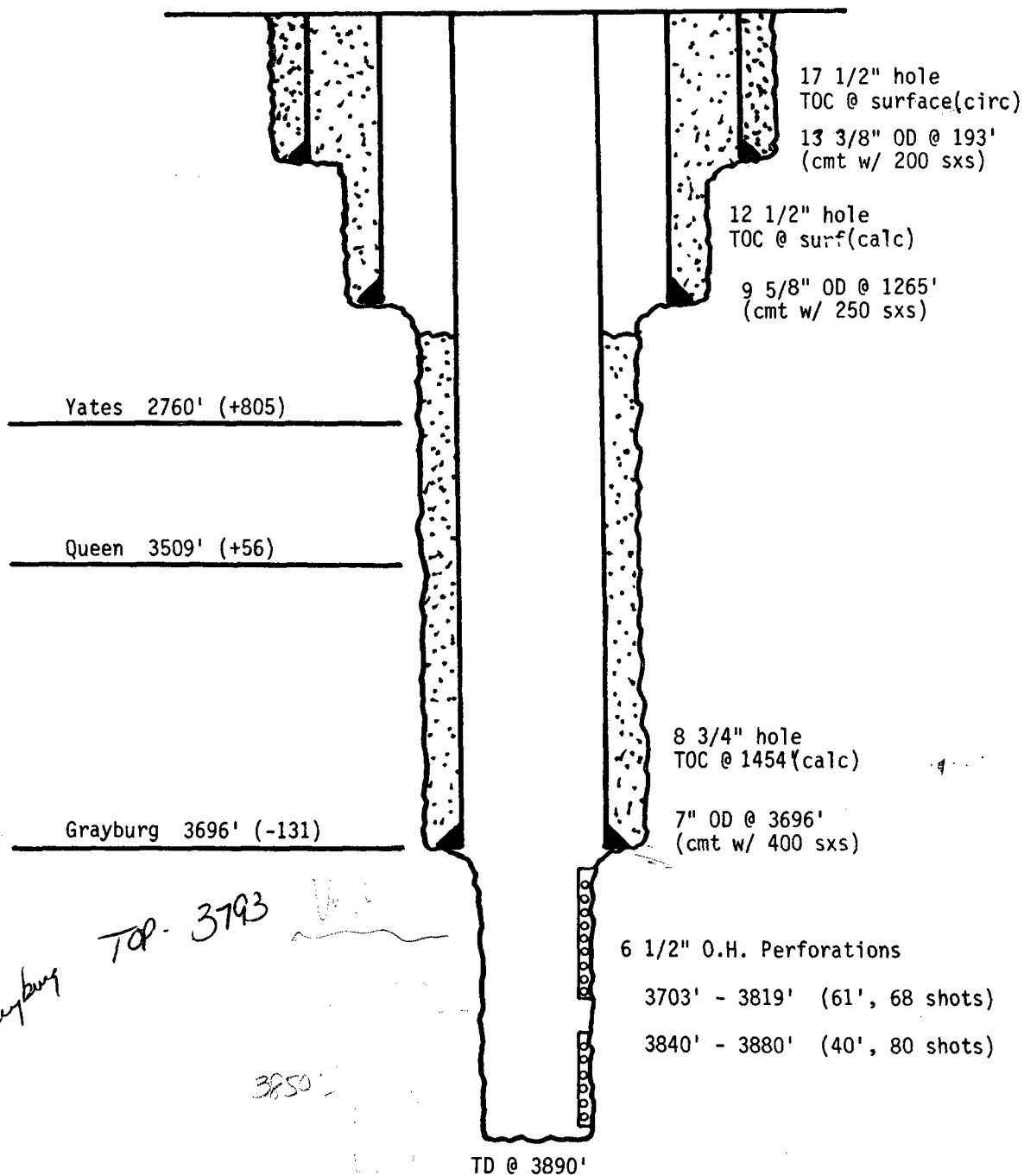


PHILLIPS PETROLEUM COMPANY
New Well No. 1
660' FNL and 330' FEL
Section 26 - 20S - 36E
Lea County, New Mexico

EUNICE MONUMENT
TEXACO (OPER) 5/11/68

Wellbore Diagram - Current Completion

KB @ 3565'
GL @ 3554'



PHILLIPS PETROLEUM COMPANY

New Well No. 1
660' FNL and 330' FEL
Section 26 - 20S - 36E
Lea County, New Mexico

sgc 5/89

OFFSET OPERATORS

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

Conoco Inc.
RR 12, Box 2805
Odessa, Texas 79763-9812

Elliott Oil Company
Box 1355
Roswell, New Mexico 88202

Zia Energy, Inc.
Box 2219
Hobbs, New Mexico 88240

Submit 2 copies to Appropriate
District Office.
DISTRICT I
P.O. Box 1980, Hobbs, NM 88240
DISTRICT II
P.O. Drawer DD, Artesia, NM 88210
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-116
Revised 1/1/89

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

GAS - OIL RATIO TEST

Operator Phillips Petroleum Company		Pool Eumont-Yates-Seven Rivers-Queen		County Lea											
Address 4001 Penbrook St., Odessa, Texas 79762		TYPE OF TEST - (X)		Completion ☐ Special ☒											
LEASE NAME	WELL NO.	LOCATION			DATE OF TEST	CHOKE SIZE	TBG. PRESS.	DAILY ALLOW-ABLE	LENGTH OF TEST HOURS	PROD. DURING TEST			GAS - OIL RATIO CU.FT/BBL.		
		U	S	T						R	WATER BBL.	GRAV. OIL		OIL BBL.	GAS M.C.F.
New	1	A	26	20	36	5-17-89	P	-	-	24	50	35	1.25	105	84,000

Instructions:

During gas-oil ratio test, each well shall be produced at a rate not exceeding the top unit allowable for the pool in which well is located by more than 25 percent. Operator is encouraged to take advantage of this 25 percent tolerance in order that well can be assigned increased allowables when authorized by the Division.

Gas volumes must be reported in MCF measured at a pressure base of 15.025 psia and a temperature of 60° F. Specific gravity base will be 0.60.

Report casing pressure in lieu of tubing pressure for any well producing through casing.

(See Rule 301, Rule 1116 & appropriate pool rules.)

I hereby certify that the above information is true and complete to the best of my knowledge and belief.

L. M. Sanders
Signature

L. M. Sanders, Reg. & Pro. Supervisor
Printed name and title

June 19, 1989
Date

915/367-1488
Telephone No.

Letter to File. 8/14/89

The proposed commingling of this well was proposed at a hearing and subsequently denied based on the fact that at the time, it appeared the well was only completed in one of the subject pools. Upon discussion with Paul Karty, it has now been determined that the well is completed in both pools and the proposed commingling will be approved.

DRC.



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

GARREY CARRUTHERS
GOVERNOR

6-22-89

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 393-6161

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

RECEIVED

JUN 27 1989

RE: Proposed:

MC _____
DHC X _____
NSL _____
NSP _____
SWD _____
WFX _____
PMX _____

OIL CONSERVATION DIV.
SANTA FE

Gentlemen:

I have examined the application for the:

Phillips Pet-Co. New #1-A 26-20-36
Operator Lease & Well No. Unit S-T-R

and my recommendations are as follows:

OK J.S.

Yours very truly,

Jerry Sexton
Jerry Sexton
Supervisor, District 1

/ed