



PHILLIPS PETROLEUM COMPANY

ODESSA, TEXAS 79762
4001 PENBROOK

January 28, 1991

EXPLORATION AND PRODUCTION GROUP
Permian Basin Region

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

State of New Mexico
Energy and Minerals Department
Oil Conservation Division
P. O. Box 2088
Sante Fe, NM 87504-2088

Attn: William J. LeMay
Director

Gentlemen:

Phillips Petroleum Company respectfully requests administrative approval to downhole commingle gas production in our Sims Well No. 4 as provided for in Statewide Rule 303-C. Pertinent well information and data are included herein:

(a) Name and address of operator:
Phillips Petroleum Company
4001 Penbrook Street
Odessa, TX 79762

(b) Sims Well No. 4
660' FNL and 660' FWL, Section 24, T-22-S, R-37-E
Lea County, New Mexico

Pools to be commingled:
Tubb Oil and Gas
Blinebry Oil and Gas
South Brunson Drinkard Abo

(c) A plat is attached showing acreage dedicated to the well and the ownership of all offsetting leases.

(d) Current productivity tests on each zone:
The Drinkard zone currently is producing 1.5 BOPD and 12 MCFPD.
The Blinebry zone is currently producing 5.2 MCFPD. It is estimated that the Tubb zone will produce approximately 1.0 BOPD and 31 MCFPD.

(e) Allocation of commingled production based on present production:
Production decline curves for both the Blinebry and the Drinkard zones are attached. Allocated gas production will be based on the current gas production from both the Blinebry and the Drinkard. The gas condensate allocation will be based on the current gas condensate from the Drinkard zone. No condensate will be allocated to the Blinebry zone. The Tubb zone will be allocated gas production based on the combined zones' stabilized gas flowrate, i.e., total gas minus Drinkard gas minus Blinebry gas equals Tubb gas.

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(e) Continued

Well completion history (wellbore sketch attached):

The well was drilled and originally completed in May, 1948, in the Drinkard formation from 6360' - 6390'. It had an initial flowing potential of 100 BOPD and 25 MCFPD. Additional perforations were added from 6360' to 6450'. This interval was acidized several times with 15% HCl.

In January, 1953, the Blinebry formation was added to the well, with perforations from 5450' to 5540', and the well was dually completed. The well had an initial flowing potential from the Blinebry formation of 0 BOPD and 700 MCFPD. This interval of the well was acidized several times with 15% HCl as well.

Prediction of future reserves:

The proposed commingling completion will allow the gas from the Tubb, Blinebry, and Drinkard zones to be produces such that maximum production will result.

Initial gas production from the Tubb is estimated at 1.0 BOPD and 31 MCFPD. Unrestricted production from the Drinkard is estimated at 1.5 BOPD and 13 MCFPD.

(f) Bottom hole pressures for each zone:

The bottom hole pressure from the Drinkard zone was measured at 420 psi on 03/09/90. The bottom hole pressure from the Blinebry was measured at 230 psi on 03/11/90.

The bottom hole pressure from the Tubb has not been measured. It is estimated that it will be 300 psi.

(g) Fluid characteristics:

Only the Drinkard zone currently produces condensate. It is anticipated that the Tubb will produce some condensate as well. No fluid incompatibilities will exist in the wellbore.

(h) Computation of value of commingled production vs. individual production streams:

<u>Individual streams:</u>	
Blinebry Oil and Gas	
(0 BOPD) x (\$20.00/BBL) = \$	0/day
+ (6 MCFPD) x (\$ 1.00/MCF) = \$	6/day
TOTAL BLINEBRY = \$	6/day

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(h) Continued

South Brunson Drinkard Abo
 (1.5 BOPD) x (\$20.00/BBL) = \$ 30/day
 + (13 MCFPD) x (\$ 1.00/MCF) = \$ 13/day
 TOTAL DRINKARD = \$ 43/day

Tubb Oil and Gas
 (0 BOPD) x (\$20.00/BBL) = \$ 0/day
 + (0 MCFPD) x (\$ 1.00/MCF) = \$ 0/day
 TOTAL TUBBS = \$ 0/day

TOTAL INDIVIDUAL STREAMS = \$ 49/day

Commingled Streams:
 (2.5 BOPD) x (\$20.00/BBL) = \$ 50/day
 + (50 MCFPD) x (\$ 1.00/MCF) = \$ 50/day
 TOTAL COMMINGLED STREAMS = \$ 100/day

(i) Formula for allocation of production:

Drinkard: 100% condensate and gas will be based on stabilized test percentage prior to commingling of the total gas stream.

Monthly Oil (Drinkard) = (Total BOPM) x (Drinkard test) /
 (Commingled test)

Monthly Gas (Drinkard) = (Total MCFPM) x (Drinkard test) /
 (Commingled test)

Blinebry: 0% condensate production, gas production will be based on stabilized test percentage prior to commingling of the total gas stream.

Monthly Oil (Blinebry) = (Total BOPM) x 0

Monthly Gas (Blinebry) = (Total MCFPM) x (Blinebry test) /
 (Commingled test)

Tubb: 100% condensate production less condensate allocated to Drinkard as above, 100% of gas production less gas allocated to Drinkard and Blinebry as above.

Monthly Oil (Tubb) = (Total BOPD) - (Monthly Oil Drinkard)

Monthly Gas (Tubb) = (Total MCFPM) - (Monthly Gas Drinkard)
 - (Monthly Gas Blinebry)

Where Total BOPM and Total MCFPM in the above formulas refer to the total monthly commingled well production of oil and gas.

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All parties of interest indicated on the attached list were notified by copy of this application sent February 1, 1991.

The Drinkard produces gas and condensate, and the Blinebry produces gas. These two zones are currently uneconomical to operate. Commingling both zones will permit the Drinkard and the Blinebry to be produced economically. The well will be produced such that bottom hole flowing pressure in the wellbore will be at a minimum; therefore, there will be no opportunity for crossflow between commingled zones. The bottom hole pressure of the Blinebry is 230 psi, which is greater than 50% of the bottom hole pressure of the Drinkard zone when adjusted to the common data of the Drinkard.

The ownership (including working interest, royalty, and overriding royalty) of the Drinkard and the Blinebry is common to all zones.

Your consideration and approval will be appreciated. Direct any questions to the attention of Viveca Skinnider, telephone (915) 368-1489, or to me.

Thank you,



Larry M. Sanders, Supervisor
Regulation and Proration

Attachments

cc: NMOCD, Hobbs Office
Offset Operators

AREA NORTH
 SUBAREA SHAFTER LAKE DATE: 01/04/91

RKB @ 3334'
 CHF @ (12.2')
 GL @ 3321.8'

LEASE & WELL NO. SIMS # 4
 LEGAL DESCRIPTION 660' FNL & 660' FML, SEC 24, T-22-S, R-37-E
 LEA, COUNTY NEW MEXICO

TOC @ SURF.

FIELD DRINKARD - BLINEBRY

STATUS PRODUCING BOPD BMPD GOR

TBG. 2 1/16" DRINKARD @ 6330' 2 1/16" BLINEBRY @ 6312'

BAKER "R" PKR. @6338' SN @ 6336'

STIMULATION HISTORY:

	INTERVAL	DATE	TYPE	GALLONS	LBS. SAND	MP	ISDP	IR	Down
1.	6360' - 6450'	1948	15%	17500					2 3/8
2.	5450' - 5540'	1953	15%	9000					2 3/8
3.	6360' - 6450'	06/04/79	28%	5000		730	VAC	4	2 1/16
4.	5450' - 5540'	06/04/79	28%	5000		2750	650	4	2 1/16
5.									

13 3/8" OD @ 346.54'

17 1/4" HOLE

32.4# NAYLOR SPIRAL
 WELD 8 THD
 TOC @ SURF

8 5/8" OD @ 2955'

TOC @ SURF
 12 1/4" - 11" HOLE

32# 8 V THD C

PERFORATIONS: BLINEBRY ZONE
 5450' - 5540' - 540 HOLES

WORKOVER PROPOSAL:

RECOMMENDED PROCEDURE:

BLINEBRY LATCHED IN ANCHOR
 SN @ 6312'

SN @ 6336'
 BAKER R PKR @ 6338'

PERFORATIONS: DRINKARD ZONE
 6360' - 6390' 180 HOLES
 6390' - 6425' 210 HOLES
 6425' - 6450' 150 HOLES

PPCO. M.I.: 100 %

Checked By:

Resv. Engr.:

PROD. ENGR.:

APPROVED:

COST: AFE NO.

PTD @ 6462

5-1/2" OD @ 6465.68' TOC @ SURF.

TD @ 6467' 14# -15.8 J-55
 7 7/8" HOLE

SE Lutherlet

FIVE DATE: 1-1-84

(AMENDED: RECLASSIFICATION OF WELL FROM OIL TO GAS)
NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

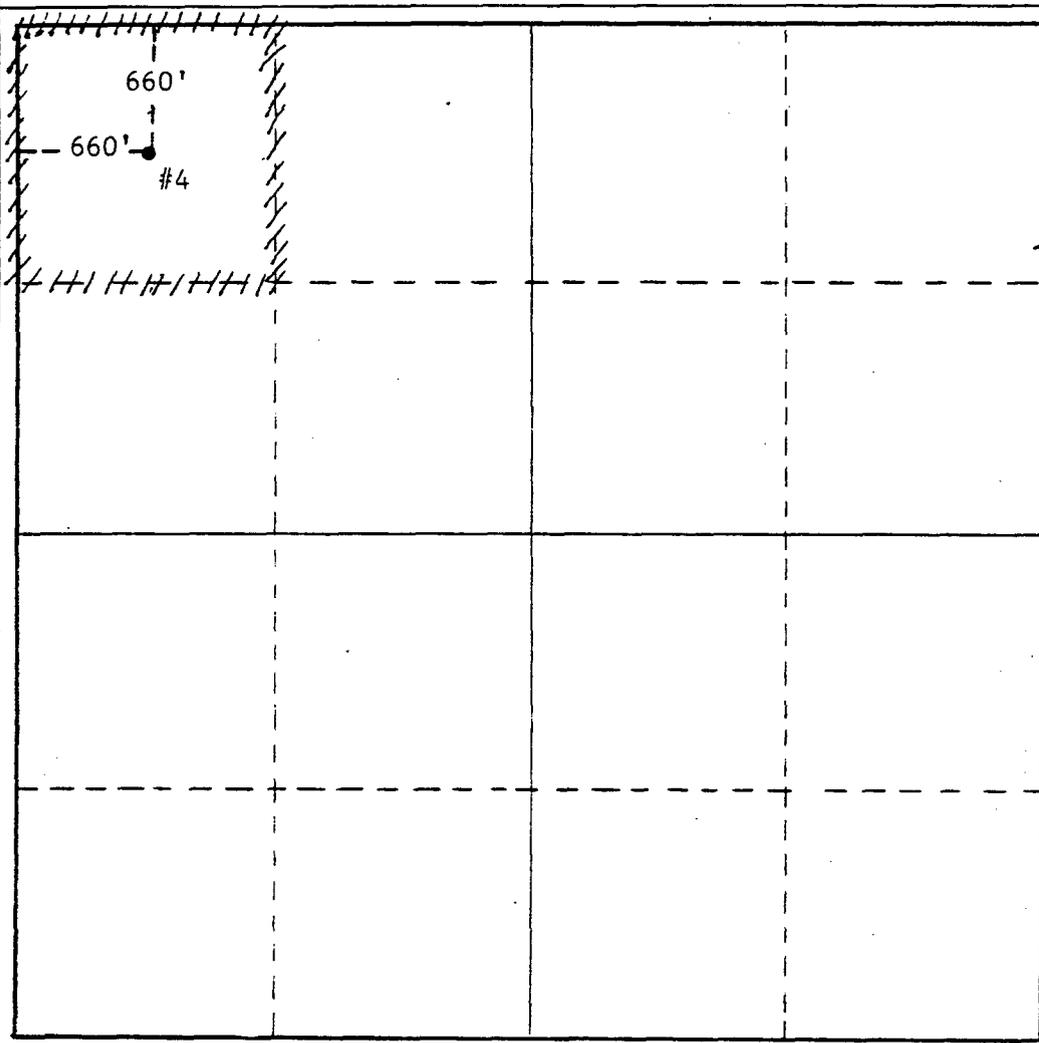
Operator Phillips Petroleum Company			Lease Sims		Well No. 4
Unit Letter D	Section 24	Township 22-S	Range 37-E	County Lea	
Actual Footage Location of Well: 660 feet from the north line and 660 feet from the west line					
Ground Level Elev. 3322' GR	Producing Formation Blinebry		Pool Blinebry--Gas		Dedicated Acreage: 40 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

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

[Signature]
Name

W. J. Mueller
Position **Senior Engineering Specialist**

Company **Phillips Petroleum**

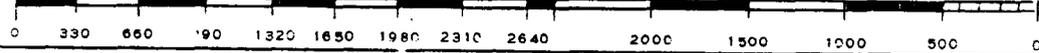
Date **November 15, 1983**

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed **June 11, 1947**

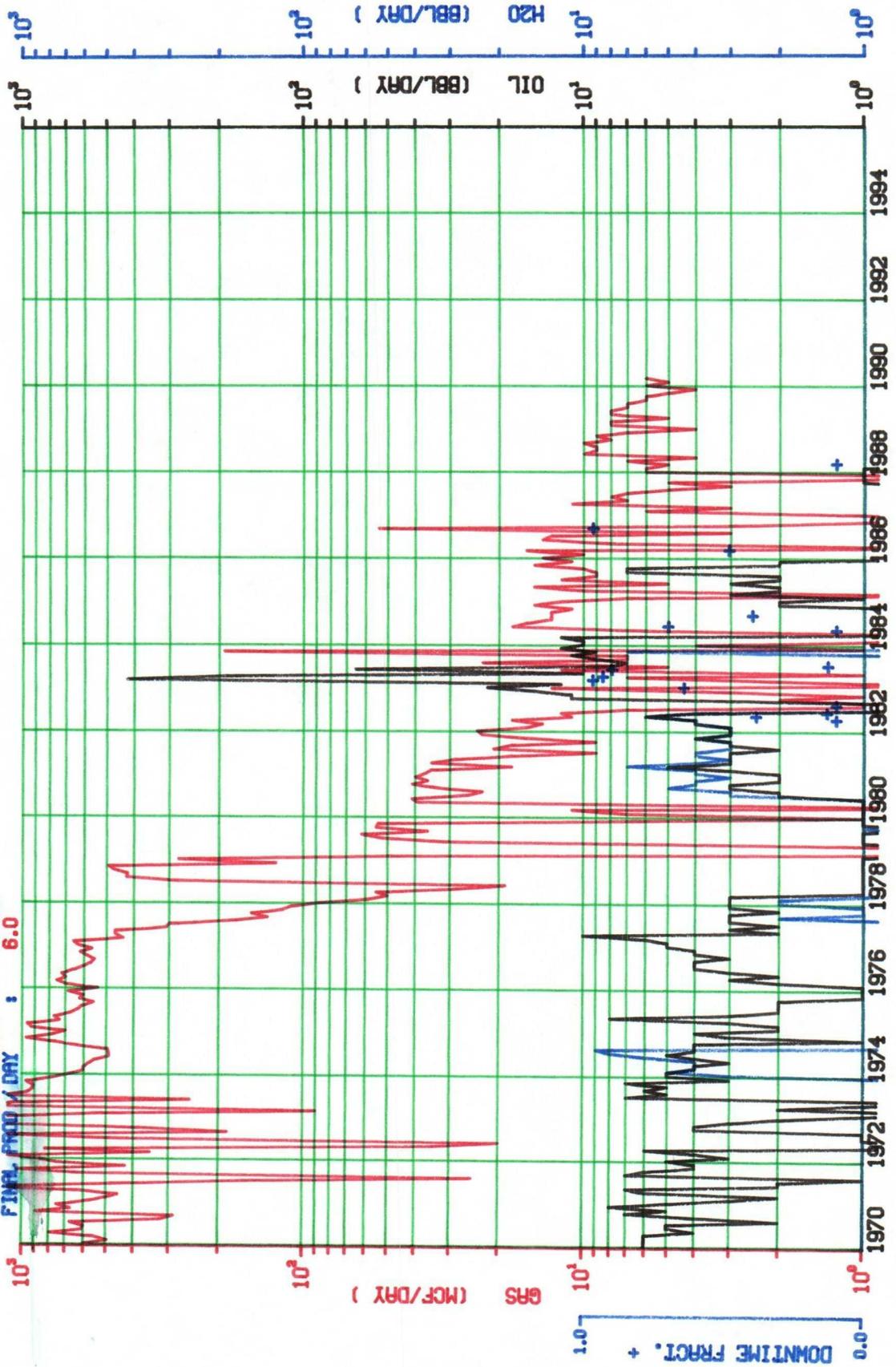
Registered Professional Engineer and/or Land Surveyor
M. E. Spry

Certificate No. **679**



1 /70-3 /90

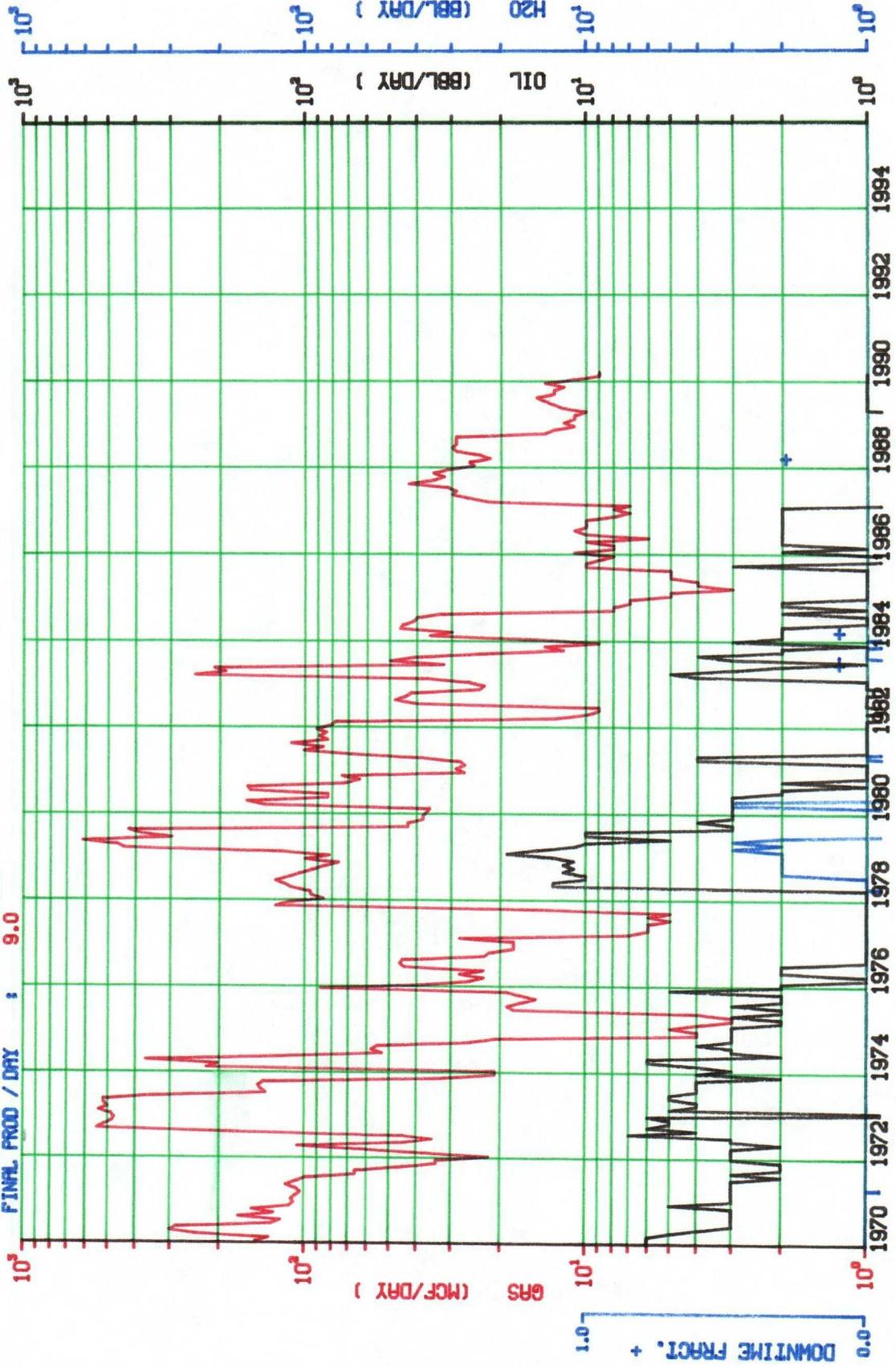
INITIAL PROD / DAY : 598.0
REMAINING LIFE : 20.25
CUM PRODUCTN-MINITS : 1968.
FINAL PROD / DAY : 6.0



LEASE- RESVR- WELL - 000004 CUM BBL - 83506. 240 225 37E
SIMS
002 : BLINERY OIL AND GAS
DOWNTIME
150,025,22537E24008L API-30025104600
PHILLIPS PETROLEUM CO THRU 3/90

1 770-3 /80

INITIAL PROD / DAY : 148.0
REMAINING LIFE : 20.25
CUM PRODUCTION : 605324.
FINVL PROD / DAY : 9.0



LEASE- SIMS
RESVR- 002 : BRUNSON DRINKARD ABO SOUTH
WELL - 000004 CUM BBL - 79624. 24D 22S 37E

DWIGHTS
150,025,22S37E24D00DA API-30025104600
PHILLIPS PETROLEUM CO THRU 3/90

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Royalty Interest Owners:

United New Mexico Bank at Lea County,
Personal Representative for the
Elizabeth Sims Daugherty Estate
P.O. Box 5614
Hobbs, New Mexico 88241

Winnie L. Sims Kennann
P.O. Box 202
Eunice, New Mexico 88231

G.P. Sims
P.O. Box 1046
Eunice, New Mexico 88231

Leo V. Sims
423 East Baja
Hobbs, New Mexico 88240

Ellie Sims Spear
P.O. Drawer 309
Hobbs, New Mexico 88240

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Offset Operators:

John H. Hendrix Corporation
525 Midland Tower
Midland, Texas 79701

Texas Pacific Oil Co. Inc.
9400 N. Central Expressway
Dallas, Texas 75250

Crown Central Petroleum Corp.
Suite 1002, Wilco Bldg.
Midland, TX 79701

Marathon Oil Company
Box 552
Midland, Texas 79702

Coquina Oil Corporation
Box 2960
Midland, Texas 79701

Union Texas Petroleum
1300 Wilco Bldg.
Midland, Texas 79701

Gulf Energy & Minerals, Inc.
Box 1150
Midland, Texas 79701

Samedan Oil Corporation
900 Wall Towers East
Midland, Texas 79701

Bruce A. Wilbanks
Box 763
Midland, Texas 79701



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

February 18, 1991

GARREY CARRUTHERS
GOVERNOR

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

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

RE: Proposed:

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

Gentlemen:

I have examined the application for the:

<u>Phillips Petroleum Co.</u>	<u>Sims #4-D</u>	<u>24-22-37</u>
Operator	Lease & Well No.	Unit S-T-R

and my recommendations are as follows:

OK

Yours very truly,

Jerry Sexton
Supervisor, District 1

/ed