

ADMINISTRATIVE APPLICATION COVERSHEET

BARKER

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

72330

Application Acronyms:

[NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location]
 [DD-Directional Drilling] [SD-Simultaneous Dedication]
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Directional Drilling

 NSL NSP DD SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement

 DHC CTB PLC PC OLS OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

 WFX PMX SWD IPI EOR PPR[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply[A] Working, Royalty or Overriding Royalty Interest Owners[B] Offset Operators, Leaseholders or Surface Owner[C] Application is One Which Requires Published Legal Notice[D] Notification and/or Concurrent Approval by BLM or SLO

U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] For all of the above, Proof of Notification or Publication is Attached, and/or,[F] Waivers are Attached

[3] INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I further verify that all applicable API Numbers are included. I understand that any omission of data, information or notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

L. M. Sanders
Print or Type Name

Signature
Supervisor, Regulation/
Title Proration07/06/00
Date



PHILLIPS PETROLEUM COMPANY

4001 PENBROOK
ODESSA, TEXAS 79762

EXPLORATION AND PRODUCTION
Permian Profit Center

July 06, 2000

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

Re: Surface Commingling
Santa Fe Lease

2073/B-1861 Vacuum-Yates and Vacuum-Drinkard Pools
Lea County, New Mexico

Dear Sir:

Phillips Petroleum Company respectfully requests an exception to Statewide Rule 303-A and Statewide Rule 309-A to surface commingle production from the Santa Fe (State Lease #B-2073/B-1861). Surface commingling will involve wells #97 & #133. In accordance with the provisions of Statewide Rule 303-B and Statewide Rule 309-B, pertinent information and supporting data are included herein.

1. Production from the leases will be from the Vacuum-Yates and the Vacuum-Drinkard Pools. Santa Fe Well No. 97, is completed in the Vacuum (Yates) Pool. Well #133 is completed in the Vacuum-Drinkard Pool.
2. Adequate test facilities will be provided as shown on the tank battery schematic.
3. Phillips Petroleum Company operates both leases and is the purchaser of the commingled production. Phillips working interest in the leases per the operating agreements is on the attached ownership list. The State Of New Mexico – Common School Land has a 12.5% royalty interest. The Commissioner of Public Lands has been notified via certified mail of the subject application.

Our request is made in the interest of operating more efficiently and economically. Your consideration and administrative approval will be greatly appreciated. If any further information is needed, please contact Celeste Dale at 915/368-1667, or myself at 915/368-1488.

Sincerely,

Larry M. Sanders
Supervisor, Regulation/Proration

/cgd

encl.

cc: Commissioner of Public Lands
P. O. Box 1148
Santa Fe, New Mexico 87504-1148

State of New Mexico
Energy, Minerals, and Natural Resources
Oil Conservation Division
P. O. Box 1980
Hobbs, New Mexico 88240

**PHILLIPS PETROLEUM COMPANY
APPLICATION FOR SURFACE COMMINGLING
SANTA FE LEASE, (VACUUM-YATES)/(VACUUM-DRINKARD) POOLS**

<u>Well #</u>	<u>State Lse. #</u>	<u>Phillips Lse. #</u>	<u>Phillips W.I.%</u>	<u>Phillips N.R.I.%</u>	<u>State of NM RI%</u>	<u>ORRI%</u>
97 (Vacuum-Yates #62400) SE/4 SW/4 S. 33 T-17-S R-35-E Lea Co., NM API #30-025-20791	NM-2073	015370-000	100%	87.5%	12.5%	0%
133 (Vacuum-Drinkard #62110) SW/4 SE/4 S. 31 T-17-S R-35-E Lea Co., NM API #30-025-32333	NM-B-1861	015221-000	100%	87.5%	12.5%	0%

GRAVITY AND VALUE OF COMMINGLED LIQUID HYDROCARBONS

	<u>Phillips Petroleum Company</u> <u>Santa Fe #97</u> <u>Vacuum (Yates) Field</u>	<u>Phillips Petroleum Company</u> <u>Santa Fe Battery #133</u> <u>Vacuum (Drinkard) Field</u>	<u>Total Commingled</u> <u>Production</u>
Oil Gravity	33	38.5	38.2
Value(\$/Bbl) 05/00-YTD Avg.	\$27.78	\$27.78	\$27.78
Oil volume (BOPD) 6 bpd (Expected production upon reactivation of well)		90 bpd	96 bpd
# Wells	1	4	5

There will be no loss of actual commercial value of the commingled production. This value of the commingled production will equal the sum of the value of the production from each common source of supply.



SANTA FE LSE.

LEA COUNTY, NEW MEXICO

Application for Surface Commingling



Santa Fe Lse.

REVISED 07/07/00

EVG\ACMP.DWG\LWS

36

31

32

33

1

6

5

4

Santa Fe #135 (Drinkard)

Santa Fe #133 (Drinkard)

Lse.# 1861

Santa Fe 133 Battery

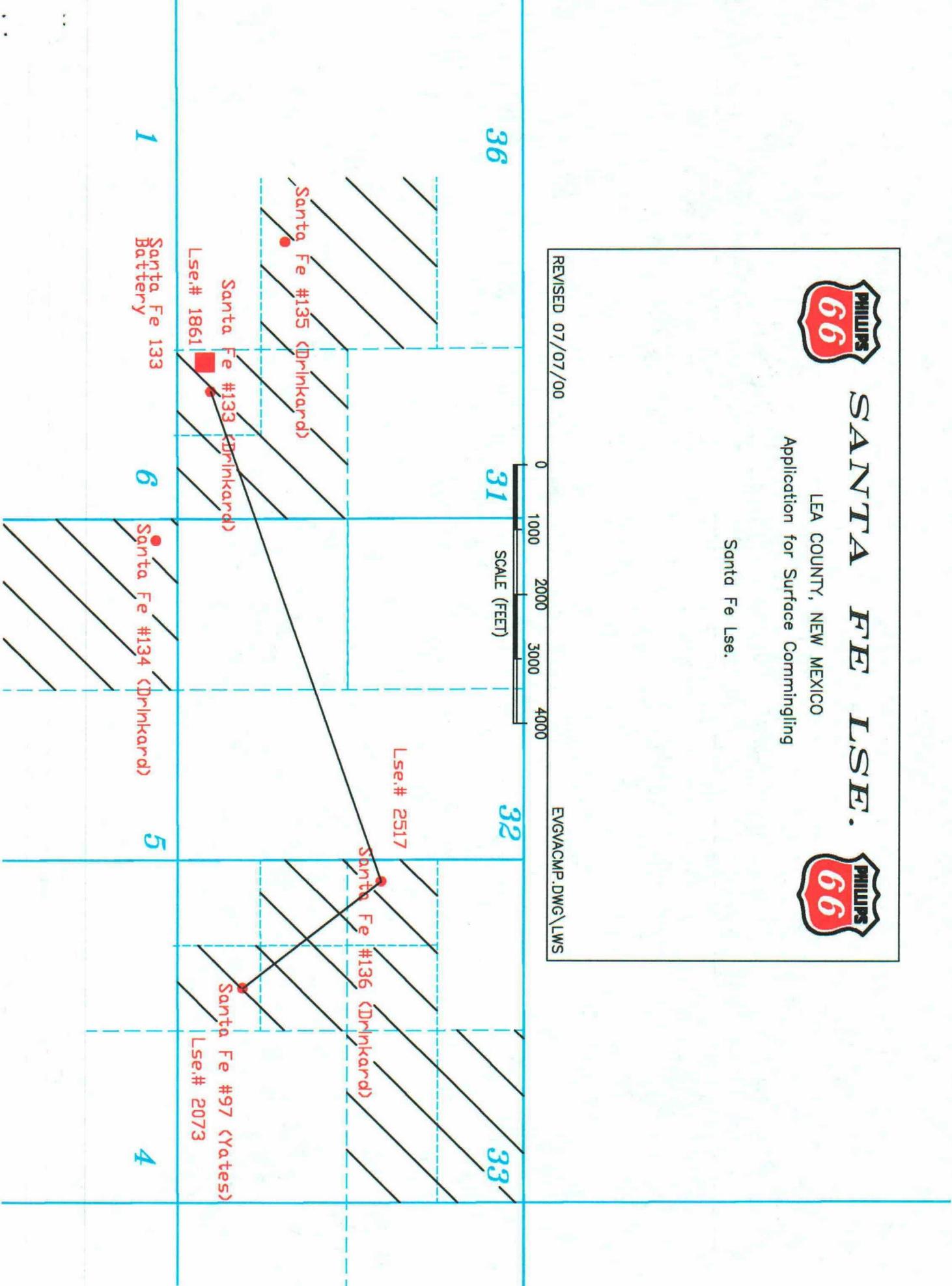
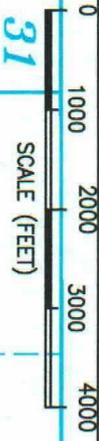
Santa Fe #134 (Drinkard)

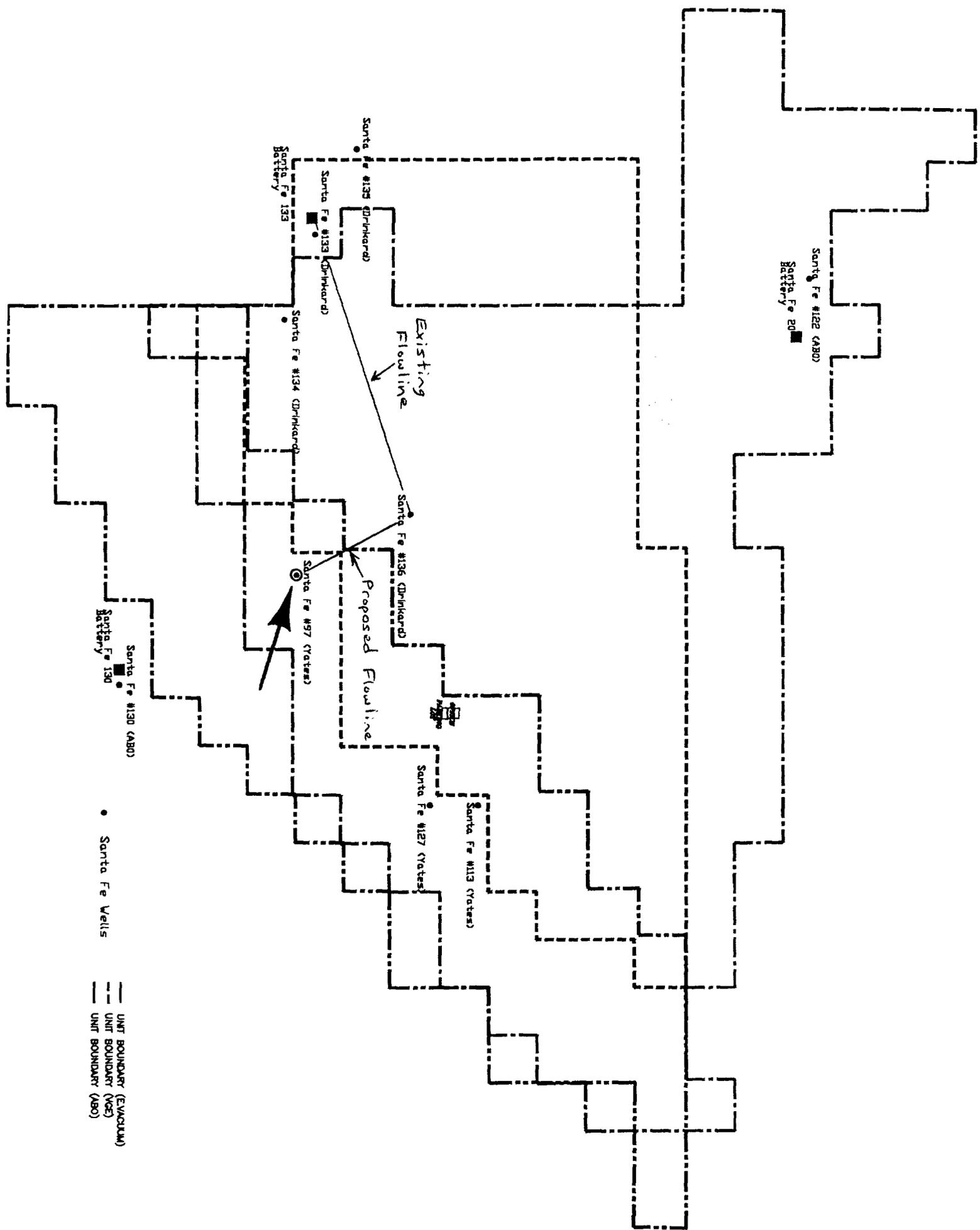
Lse.# 2517

Santa Fe #136 (Drinkard)

Santa Fe #97 (Yates)

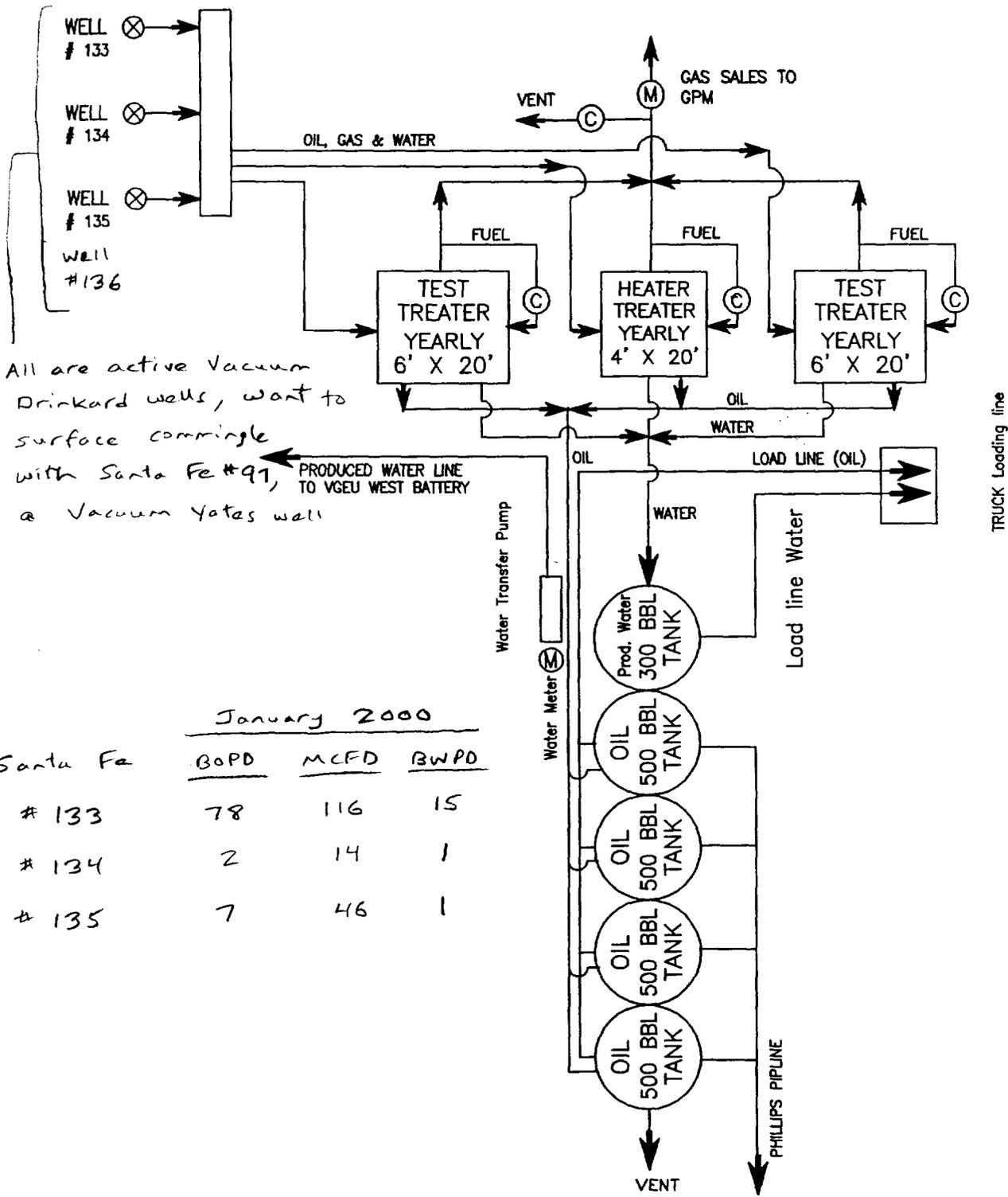
Lse.# 2073





— UNIT BOUNDARY (EVAQUUM)
 - - - UNIT BOUNDARY (VCS)
 . . . UNIT BOUNDARY (ABO)

• Santa Fe Wells



All are active Vacuum Drinkard wells, want to surface commingle with Santa Fe #91, a Vacuum Yates well

January 2000

Santa Fe	BoPD	MCFD	BWPD
# 133	78	116	15
# 134	2	14	1
# 135	7	46	1

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NO.	REVISION	BY	DATE	CHKD	APP'D
FOR BIDS	PHILLIPS PETROLEUM COMPANY BARTLESVILLE, OKLAHOMA			JA NO.	FILE CODE
FOR APPR				AFE NO.	SCALE
FOR CONST	LEASE NAME: SANTA FE 133 LEASE CODE: 600015 NETWORK: 503			NO	
DRAWN 1/26/95	DGH	FILE NAME: HOBBS			
CHECKED		DWG NO. 1.0			
APP'D					



PHILLIPS PETROLEUM COMPANY

4001 PENBROOK
ODESSA, TEXAS 79762

EXPLORATION AND PRODUCTION
Permian Profit Center

July 6, 2000

Commissioner of Public Lands
P. O. Box 1148
Santa Fe, NM 87504-1148

Re: Application of Surface Commingling
Vacuum-Yates and Vacuum-Drinkard Fields

Attention: Director,
Oil, Gas, and Minerals Division

Gentlemen:

Enclosed, you will find a copy of an application for surface commingling of the oil production from the Phillips Petroleum Company Vacuum-Yates (Pool #62400), Santa Fe Lease, and Vacuum-Drinkard (Pool #62110), Santa Fe Lease, into the Vacuum-Drinkard Battery.

If you have no objections, per SLO Rule #1.055; please approve and forward to the State of New Mexico, Energy and Minerals Department, Oil Conservation Division in Santa Fe, New Mexico. A copy of the supporting documentation along with the required application fee of \$30 is included. Your prompt attention given this matter is greatly appreciated.

Sincerely,

A handwritten signature in cursive script that reads "L. M. Sanders".

L. M. Sanders
Supervisor, Regulation/Proration

/cgd