

OIL CONSERVATION DIVISION
RECEIVED

Jack L. Phillips

PETROLEUM GEOLOGIST-OIL OPERATOR
700 N. MAIN, SUITE B

Gladewater, Texas 75647

NOV 9 29

P. O. DRAWER 392
FAX 903 845-8226

OFFICE 903 845-2144
RESIDENCE 903 845-2309

November 13, 1992

State of New Mexico
Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

Re: Request to Commingle Production
Isler Federal Lease, NM 055564
Sections 30 & 31, T-9-S, R-30-3
Chaves County, New Mexico

Attn: David Catanach

Dear Mr. Catanach:

Jack L. Phillips is making plans to bring the Isler Federal #4 well on line. This well was completed in early 1983 as a Morrow Sand well producing dry gas. Lack of a satisfactory pipe line connection has delayed production to this time. A satisfactory market has been made available at our Isler Tank Battery, located some 2000' southeast of the well. Although this well tested dry on potential, we are assuming that it will in the course of its productive life produce some marketable liquids. In this connection, we would like to commingle these liquids, if and when produced, with the production from wells #1, #3, and #5. These wells produce from the Wolfcamp formation. Corrected gravity of the Wolfcamp production is 40.3° API. Daily production from the lease is presently averaging 14 BOPD.

Since the Morrow Sand well has never produced any liquids, we are requesting to make a tie-in to our facilities as per the attached schematic diagram. If and when liquid production does begin, we will obtain samples and advise your office of the gravity and value changes that will result from commingling. We are proposing that production allocation be based on periodic well tests as we are now doing on the Wolfcamp production.

We have furnished a sundry notice to the BLM office in Roswell detailing our plans for commingling these sources of production. Please advise if you need further information. For your information, our fax number is 903 845-8226.

Yours very truly,

JACK L. PHILLIPS



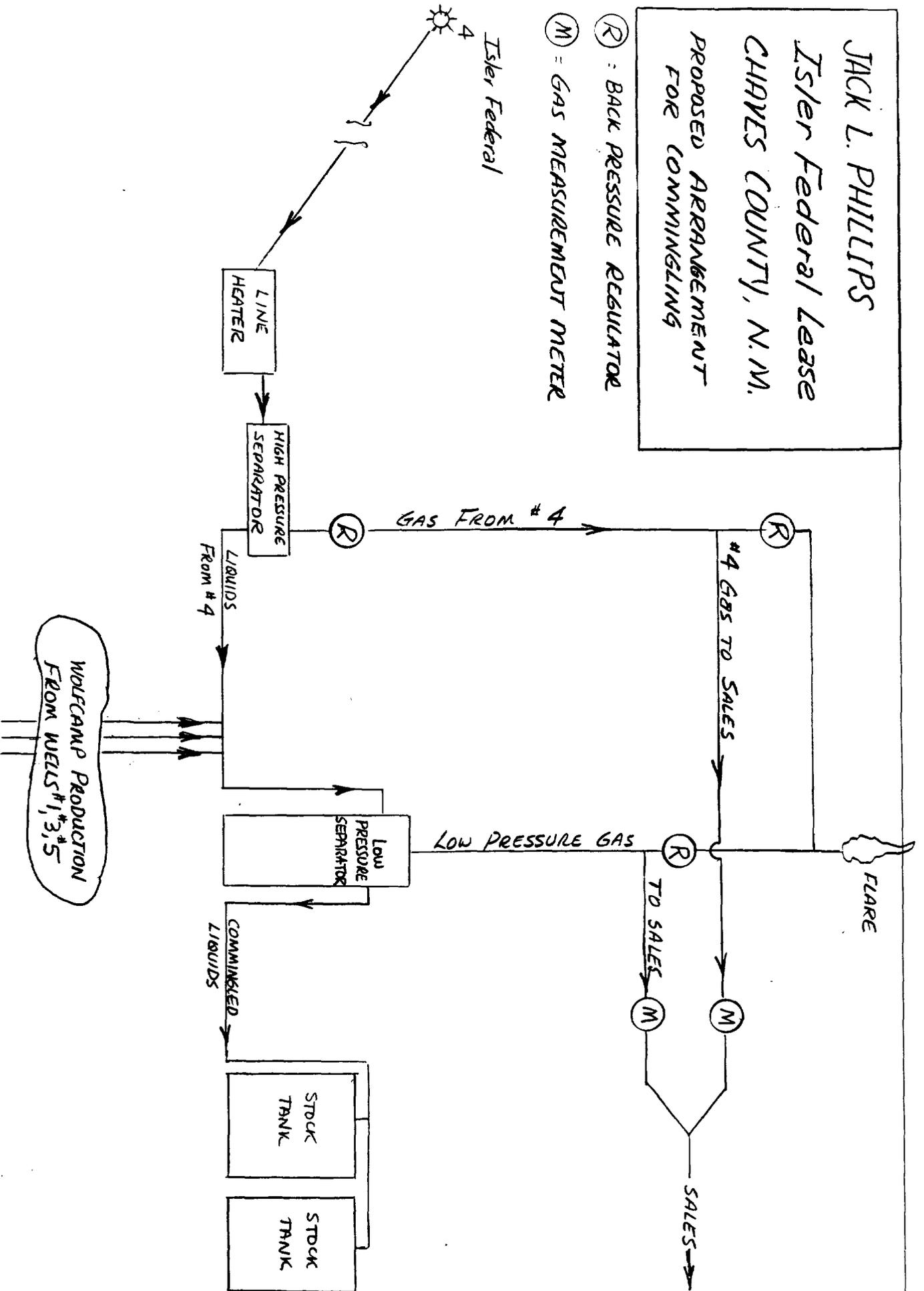
Randy Tomlinson
Production Superintendent

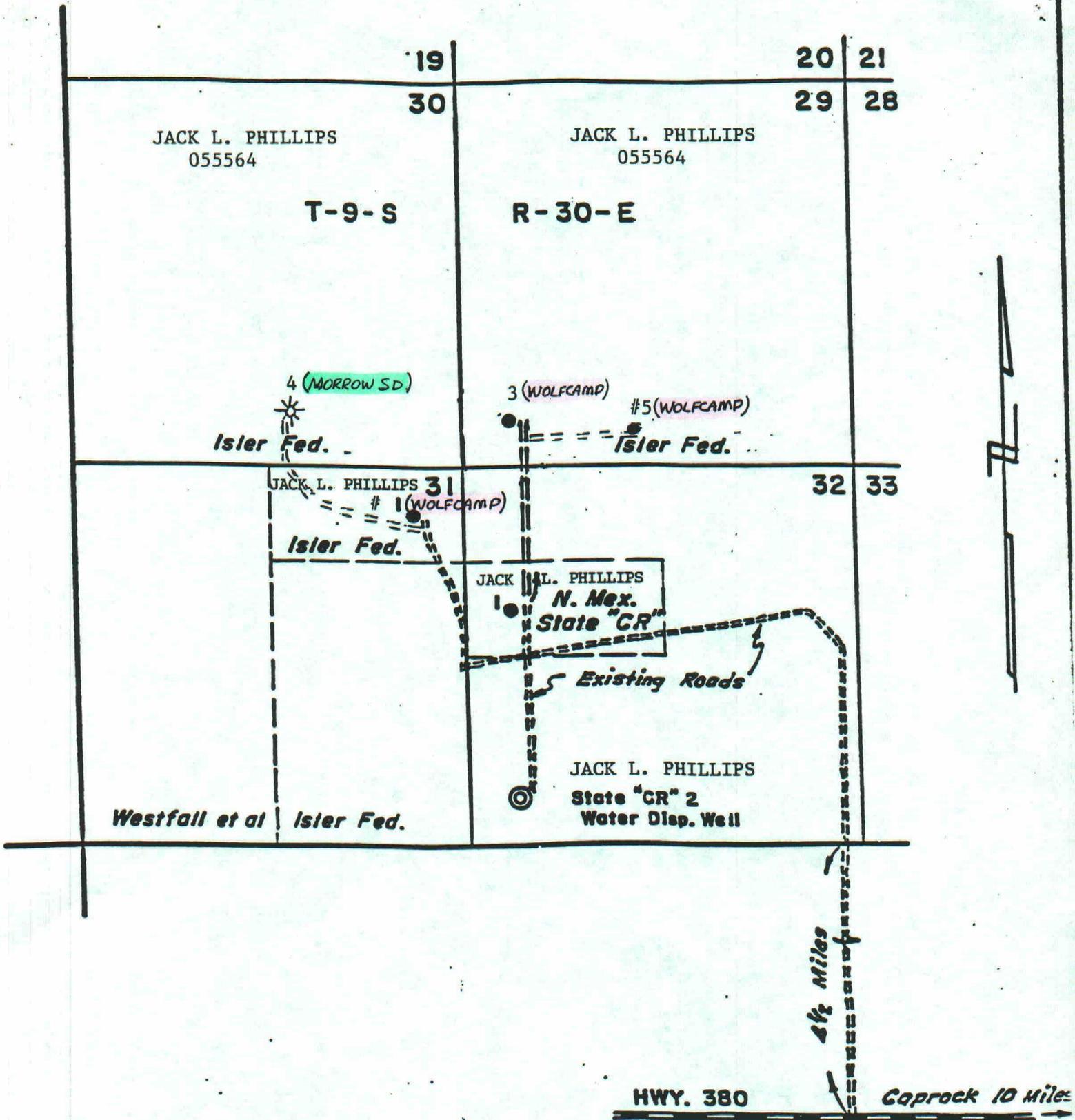
RT:kdb

Enclosure

JACK L. PHILLIPS
 Isler Federal Lease
 CHAVES COUNTY, N.M.
 PROPOSED ARRANGEMENT
 FOR COMMINGLING

(R) : BACK PRESSURE REGULATOR
 (M) = GAS MEASUREMENT METER





JACK L. PHILLIPS - ISLER FEDERAL LEASE 055564
T-9-S, R-30-E, CHAVES CO., N.M.

JACK L. PHILLIPS
PRODUCTION DEPARTMENT

Budget Bureau No. 1004-0135
 Expires August 31, 1985

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir. Use "APPLICATION FOR PERMIT—" for such proposals.)

1. <input type="checkbox"/> OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER		5. LEASE DESIGNATION AND SERIAL NO. NM - 055564
2. NAME OF OPERATOR Jack L. Phillips		6. IF INDIAN, ALLOTTEE OR TRIBE NAME
3. ADDRESS OF OPERATOR Drawer 392, Gladewater, TX 75647		7. UNIT AGREEMENT NAME
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.) At surface 660' FSL & 1980' FEL of Section 30, T-9-S, R-30-E		8. FARM OR LEASE NAME Isler Federal
14. PERMIT NO.	15. ELEVATIONS (Show whether DF, RT, GR, etc.) 4046' DF	9. WELL NO. 4
		10. FIELD AND POOL, OR WILDCAT Manny Gates (Morrow)
		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 30, T-9-S, R-30-E
		12. COUNTY OR PARISH, 13. STATE Chaves New Mexico

Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
TEST WATER SHUT-OFF <input type="checkbox"/>	PULL OR ALTER CASING <input type="checkbox"/>	WATER SHUT-OFF <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	MULTIPLE COMPLETE <input type="checkbox"/>	FRACTURE TREATMENT <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	ABANDON* <input type="checkbox"/>	SHOOTING OR ACIDIZING <input type="checkbox"/>	ABANDONMENT* <input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	(Other) <input type="checkbox"/>	

(Other) Commingle Production (Surface) (NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

The subject well was completed in 1983 and has been shut in since that time. The well was completed in the Morrow Sand as a liquid free (dry gas) well. Due to the low productivity of the well, we propose to connect it by flowline to the existing Isler Federal tank battery some 2000' southeast of the well site. At that point, separation of gas and any liquids will be made. The gas will be metered directly to a pipeline and liquid production, which we expect to be minimal, will be combined with production from Isler Federal wells #1, #3, and #5, which produce oil from the Wolfcamp formation. If required, we would propose that production allocation of the total liquids be based on periodic individual well tests. It is not anticipated that this well, since it tested dry gas on completion, will produce enough liquids to significantly affect the gravity of the Wolfcamp production with which it is combined. It is anticipated that work will begin within one week to make this tie-in.

18. I hereby certify that the foregoing is true and correct

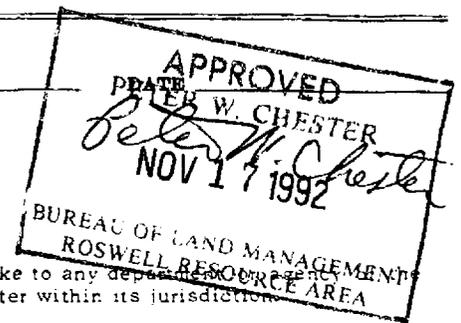
SIGNED Randy Johnson TITLE Production Superintendent DATE 11-5/92

(This space for Federal or State office use)

APPROVED BY _____ TITLE _____

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions on Reverse Side



Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.