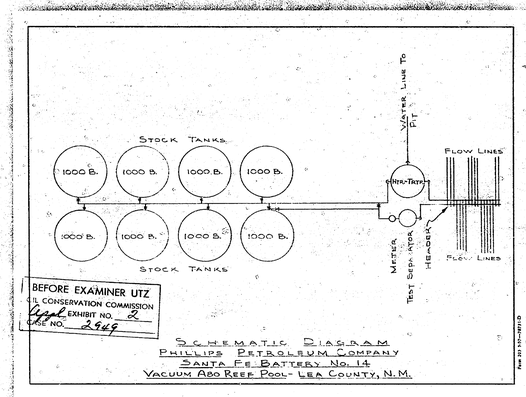
Case No:
2949
Large
Exhibits



BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION
Legal EXHIBIT NO. 2
CASE NO. 2949

SCHEMATIC DIAGRAM
PHILLIPS PETROLEUM COMPANY
SANTA FE BATTERY NO. 14
VACUUM ABO REEF POOL - LEA COUNTY, N.M.

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BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION
EXHIBIT NO. 3
CASE NO. 2947

PHILLIPS PETROLEUM COMPANY

COST ANALYSIS

REQUEST FOR EXCEPTION TO RULE 309A TO PERMIT MORE THAN 16 WELLS TO BE PRODUCED INTO ONE TANK BATTERY
VACUUM ABO REEF POOL
LEA COUNTY, NEW MEXICO

I. Assume 19 wells producing into two separate tank batteries
A. 16 wells in existing Santa Fe Battery No. 14
1. Daily Production - 15 wells x 117 BOPD (Top Allowable) + 11 BOPD (Santa Fe No. 58) = 1766 BOPD
2. Storage Required (Based on 4 days storage capcity) - 1766 BOPD x 4 days = 7064 Bbls.
3. Number of 1000 bbl. tanks required - 7064/940 = 7.5 tanks

There are presently 8 - 1000 barrel tanks at Santa Fe Battery No. 14; therefore, additional tankage will not be required.

B. 3 wells in new tank battery
1. Daily Production - 3 wells x 117 BOPD = 351 BOPD
2. Storage Required - 351 BOPD x 4 = 1404 Bbls.
3. Number of 1000 barrel tanks required - 1404/940 = 1.5 tanks

Cost of New Tank Battery with 2 - 1000 barrel tanks:		
2 - 1000 bbl. tanks "API Cond. & 82530	$5860	
4' heater-treater	$2590	
Test separator complete with meter	940	
Line Pipe	950	
Miscellaneous Valves and Fittings	1000	$11,340
TOTAL TANGIBLES	$1152	
Roustabout Labor 72 hrs. x $16/hr.	900	
Welding, Tank Crew, and Painting	500	
Dirt work	400	
Trucking	125	
Supervision		$3,077
INTANGIBLES		
TOTAL COST		$14,417

II. Assume 19 wells producing into one tank battery (Santa Fe Battery No. 14)
1. Daily Production - 18 wells x 117 + 11 = 2117 BOPD
2. Storage Required - 2117 x 4 = 8468 Bbls.
3. Number of 1000 barrel tanks required - 8468/940 = 9 tanks

Cost to add one 1000 barrel tank to Santa Fe Battery No. 14		
1 - 1000 bbl. tank - "API Cond.	$2930	
Miscellaneous Valves and Fittings	240	$3170
TOTAL TANGIBLES	$320	
Roustabout Labor 20 hrs. x$16/hr.	480	
Miscellaneous Labor	50	
Supervision		$460
INTANGIBLES		
TOTAL COST		$4030

SAVINGS IN INVESTMENT BY PRODUCING MORE THAN 16 WELLS INTO SANTA FE BATTERY No. 14 -
$14,417 - $4395 = $10,397

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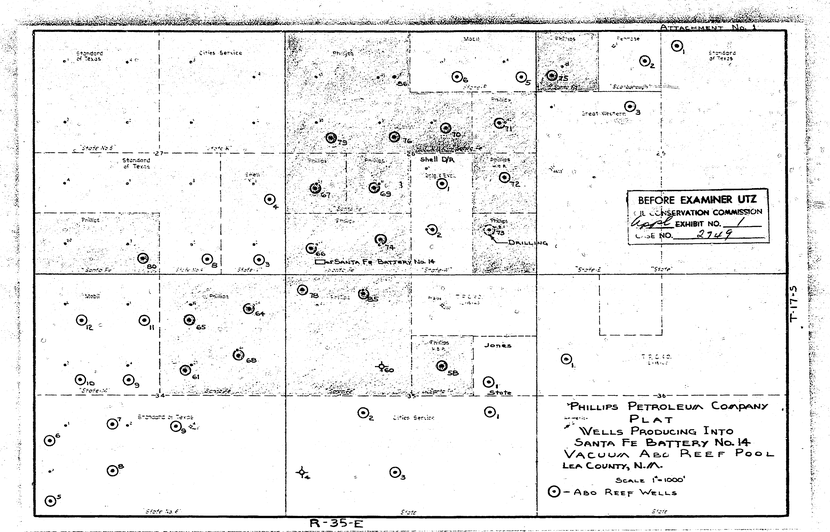
ATTACHMENT No. 1



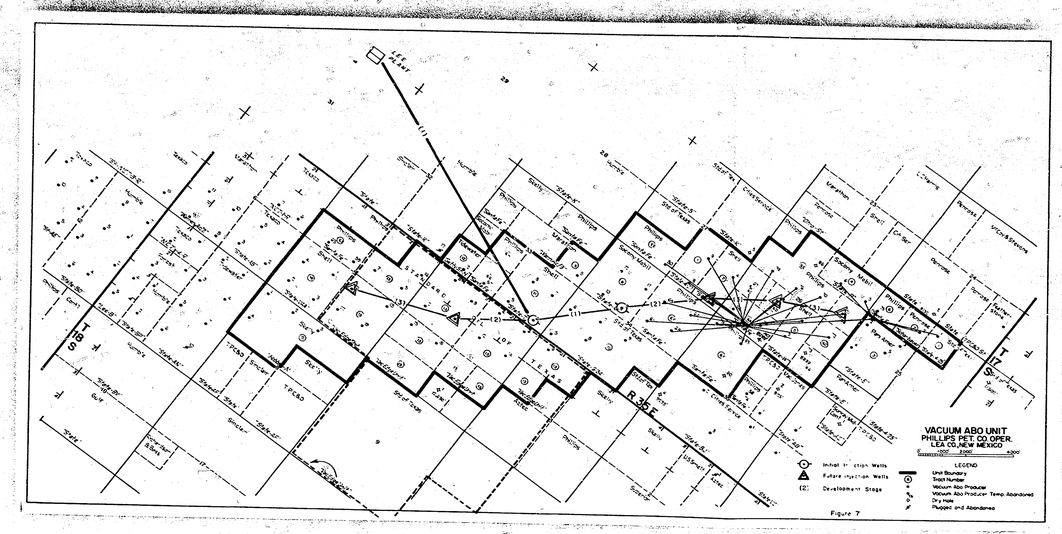

VACUUM ABO UNIT
PHILLIPS PET. CO. OPER.
LEA CO., NEW MEXICO
0 1000' 2000' 4000'
Inhibit Injection Wells
Future Injection Wells
Development Stage
LEGEND
Unit Boundary
Tract Number
Vacuum Abo Producer
Vacuum Abo Producer Temp. Abandoned
Dry Hole
Plugged and Abandoned
T-18-S
R-35-E

Figure 7