



# PHILLIPS PETROLEUM COMPANY

ODESSA, TEXAS 79762  
4001 PENBROOK

January 9, 1991

OIL CONSERVATION DIVISION  
RECEIVED

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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. 1 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. 1  
1980' FSL and 661' FWL, Section 24, T-22-S, R-37-E  
Lea County, New Mexico
- Pools to be commingled:  
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 2.0 BOPD and 23 MCFPD.  
It is estimated that the Blinebry zone will produce approximately 128 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.

Well completion history (wellbore sketch attached):

The well was drilled and originally completed in May, 1945, in the Blinebry formation from 5430' - 5484'. It had an initial flowing potential of 4850 MCFPD. This interval was acidized several times with 15% HCl.

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(e) Continued

In January, 1976, the Blinebry formation was temporarily abandoned and the well was deepened to 7322'. The well was recompleted open hole in the Drinkard from 7004' - 7322' and perforated from 6356' - 6971'. The well had an initial flowing potential from the Drinkard formation of 112 BOPD and 1280 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 Blinebry and Drinkard zones to be produced such that maximum production will result.

Initial gas production from the Blinebry is estimated at 128 MCFPD. Unrestricted production from the Drinkard is estimated at 2.0 BOPD and 23 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.

(g) Fluid characteristics:

Only the Drinkard zone currently produces condensate. No fluid incompatibilities will exist in the wellbore.

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

Individual streams:

Blinebry Oil and Gas

$$\begin{aligned} & (0 \text{ BOPD}) \times (\$20.00/\text{BBL}) = \$ 0/\text{day} \\ + & (0 \text{ MCFPD}) \times (\$ 1.00/\text{MCF}) = \$ 0/\text{day} \\ & \text{TOTAL BLINEBRY} = \$ 0/\text{day} \end{aligned}$$

South Brunson Drinkard Abo

$$\begin{aligned} & (2 \text{ BOPD}) \times (\$20.00/\text{BBL}) = \$ 40/\text{day} \\ + & (23 \text{ MCFPD}) \times (\$ 1.00/\text{MCF}) = \$ 23/\text{day} \\ & \text{TOTAL DRINKARD} = \$ 63/\text{day} \end{aligned}$$

$$\text{TOTAL INDIVIDUAL STREAMS} = \$ 63/\text{day}$$

Commingled Streams:

$$\begin{aligned} & (2 \text{ BOPD}) \times (\$20.00/\text{BBL}) = \$ 40/\text{day} \\ + & (151 \text{ MCFPD}) \times (\$ 1.00/\text{MCF}) = \$ 151/\text{day} \\ & \text{TOTAL COMMINGLED STREAMS} = \$ 191/\text{day} \end{aligned}$$

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(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)

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)

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

All parties of interest indicated on the attached list were notified by copy of this application sent January 10, 1990.

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% if 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 / by jam*  
Larry M. Sanders, Supervisor  
Regulation and Proration

Attachments

cc: NMOCD, Hobbs Office  
Offset Operators

AREA NORTH

SUBAREA SHAFTER LAKE

DATE: 01/04/91

RKB @ 3335'

LEASE & WELL NO. SIMS # 1

CHF @ (12.6')

LEGAL DESCRIPTION 661' FNL 1980' FSL ,SEC 24 T-22-S, R-37-E

GL @ 3322.4'

LEA, COUNTY NEW MEXICO

TOC @ SURF.

FIELD DRINKARD - BLINEBRY

STATUS PUMPING 1 BOPD 0 BOPD 18 MCF (DRINKARD ZONE ONLY)

13 3/8" OD @ 257.76'

17 1/4" HOLE

32.7# NAYLOR SPIRAL

WELD 8 THD

TOC @ SURF.

TBG. 2 3/8" J-55 SET AT 6868'

BAKER L.S. PKR. @ 6838' IN 16 PTS. TENSION. NOTE: BAKER SLIDING SLEEVE WAS

REMOVED 2/84. PUMPED W/75 ROD STRING.

8 5/8" OD @ 3473.5'

11" HOLE 32# H-40

TOC @ 1650'

STIMULATION HISTORY:

		INTERVAL	DATE	TYPE	GALLONS	LBS. SAND	MP	ISDP	IR	Down
1.	PERFS: SAN ANDRES 3835'-3860'	6825'-6890'	08/12/45	20%	500		3000			2 3/8
2.	150 HOLES SQZD 10/12/45 100 SX CMT.	6825'-6890'	08/13/45	15%	2000		2980			2 3/8
3.	PERFS: GLOR. 5085'-5125' 240 HOLES	6825'-6890'	08/14/45	15%	5000		1400			2 3/8
4.	SQZD 10/07/45 50 SX CMT.	6825'-6890'	08/16/45	15%	10000		1300			2 3/8
5.	PERFS: GLOR. 5145'-5165' 120 HOLES	6974'-7322'	12/06/75	28%	3000		2800	1800		2 3/8
6.	SQZD 09/30/45 50 SX CMT.	6813'-6890'	12/11/75	28%	3000		1400	700	2.6	2 3/8
7.	PERFS: BLINEBRY	6009'-6716'	12/11/75	28%	2500		3300	VAC	6	2 3/8
8.	5430'-5460'-180 HOLES	6356'-6444'	12/11/75	28%	3500		850	VAC	3.8	2 3/8
9.	5459'-5484'-150 HOLES (CLR FK)	5627'-5817'	12/11/75	28%	4250		2100	800	3.6	2 3/8
10.	5527'-5817'-20 HOLES	5430'-5556'	12/11/75	28%	2500		1300	VAC	3.4	2 3/8

ALL INTERVALS WERE ACIDIZED AND TESTED  
(INCLUDING THOSE SQUEEZED)

PKR @ 6868' BAKER L.S.

RECORDS INDICATE HEAVY GYP DEPOSITS ON PUMP.

PERFS: FULLERTON 6355'-6390' 210 HOLES

SQZD 09/08/45 100 SX CMT.

PERFS: FULLERTON 6390'-6410'-120 HOLES

SQZD 09/18/45 7 SX CMT. 31 HOLES

WORKOVER PROPOSAL: COMMINGLE PRODUCTION DOWNHOLE

PERFS: DRINKARD 6356'-6971'-31 HOLES

PERFS: FULLERTON 6430'-6450'- 120 HOLES

SQZD 08/23/45 25 SX CMT.

RECOMMENDED PROCEDURE:

PERFS: STATE ANDREWS 6825'-6890'

390 HOLES PLUGGED OFF W/BP AND 12 SX CMT.

DRILLED OUT IN 1975.

5 1/2" OD @ 7004.98 TOC @ 3500'

14# TO 17# J-55 8 RD

7 3/8 HOLE

OPEN HOLE-7004'-7315'

PERFS: 7170'7315'-82 HOLES

PPCO. W.I.: 100 %

Checked By:

RESV. ENGR.: V. L. SKINNIDER

PROD. ENGR.: S. E. GUTBERLET

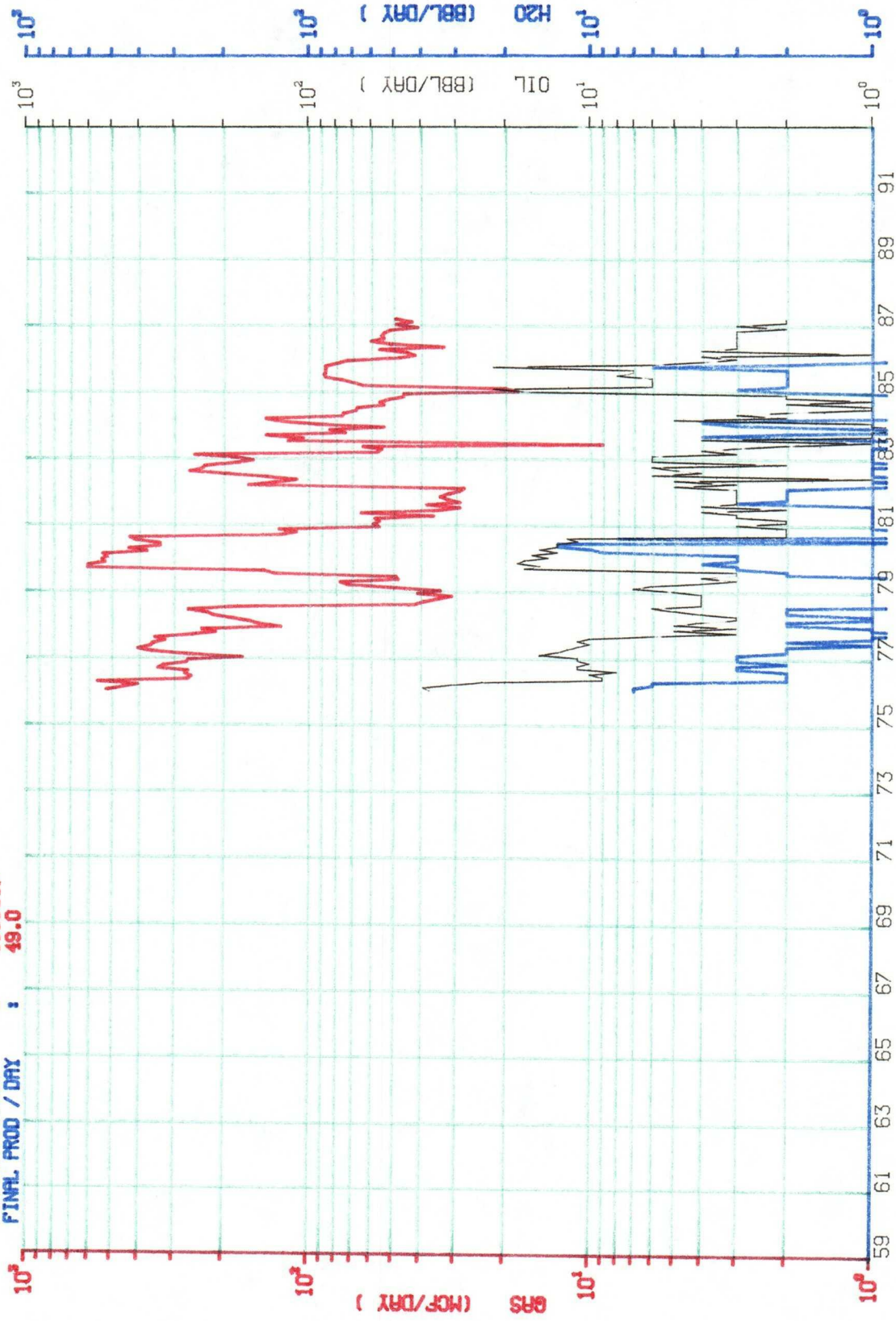
PTD @ 7315'

TD @ 7377'

[illegible]

1 / 76-3 / 87

INITIAL PROD / DAY : 520.0  
REMAINING LIFE : 11.25  
CUM PRODUCTION : 0.00  
FINAL PROD / DAY : 888944.  
49.0

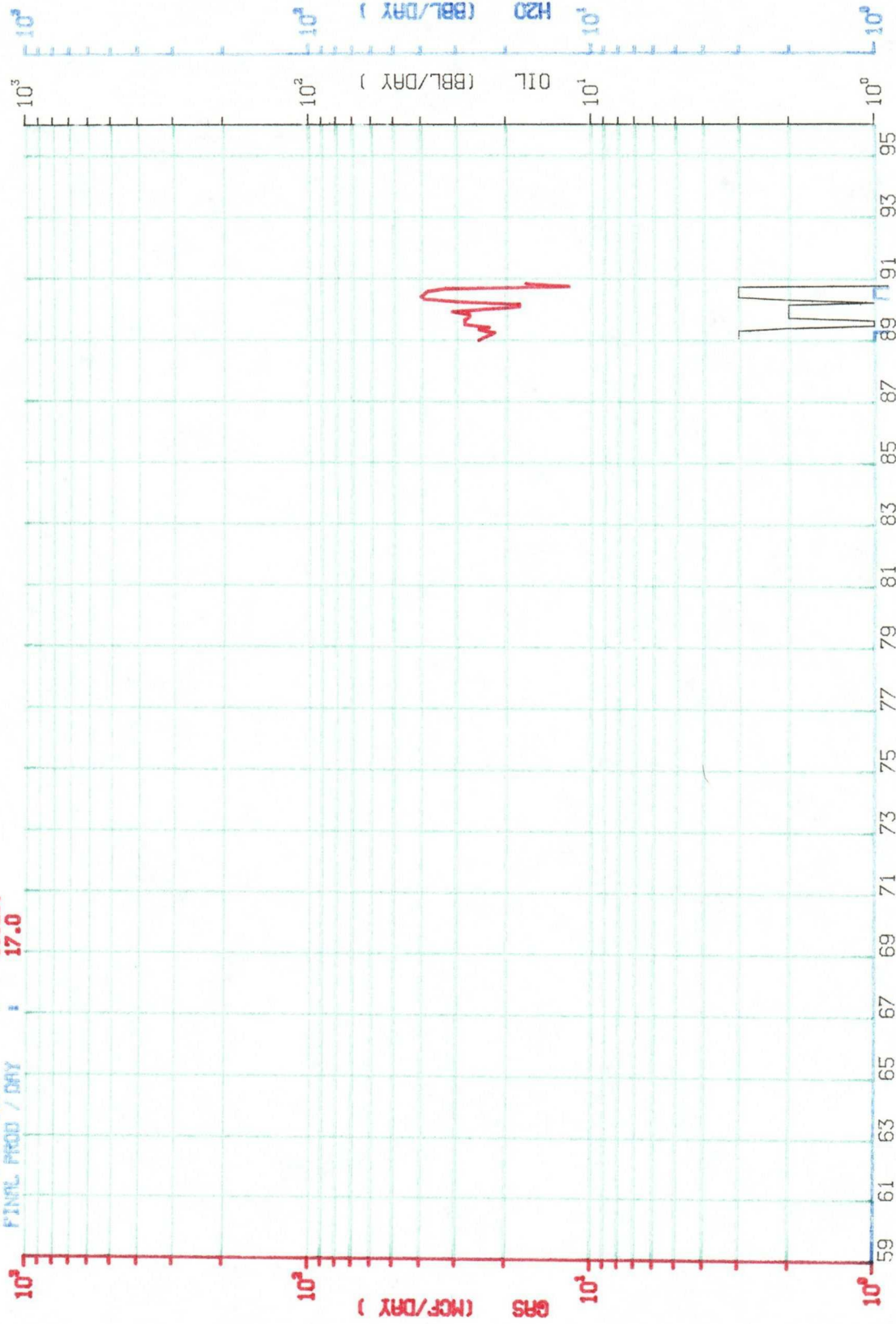


LEASE- 600022 : SIMS  
RESVR- 158 : DRINKARD  
WELL - 00001

PPROD  
SINGLE WELL 600022 158 00001  
NM 46, CL- NC, PM- NF , CT- DL

1/89-11/80

INITIAL PROD / DAY : 25.0  
REMAINING LIFE : 1.92  
CUM PRODUCTION : 0.00  
FINAL PROD / DAY : 18628.0

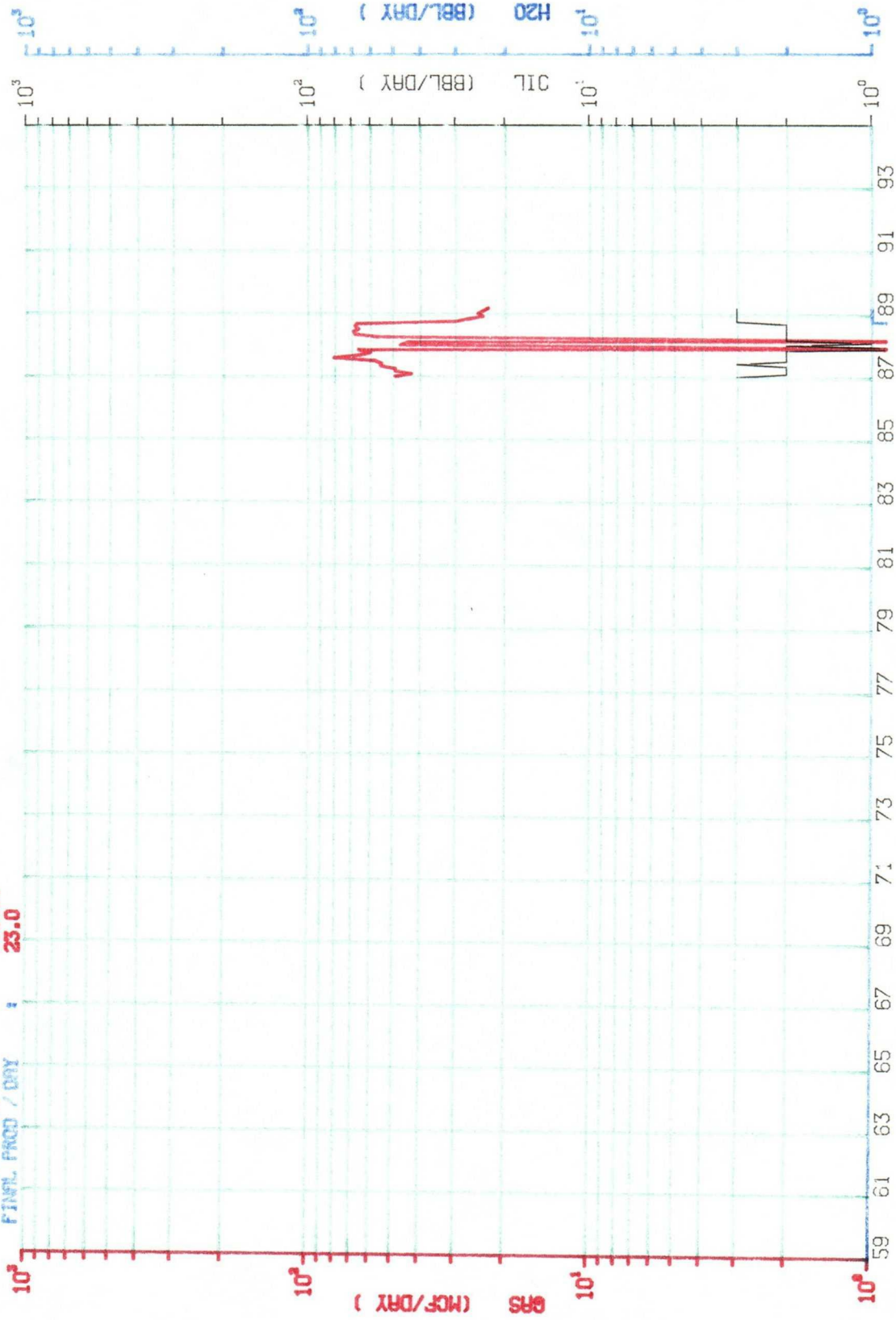


LEASE- 600022 : SIMS  
RESVR- 161 : BRUNSON, E - DRINKARD AB  
WELL - 00001

PPROD  
SINGLE WELL 600022 161 00001  
NM 46, CL- 0, PM- NF, CT- DL

1 /87-3 /89

INITIAL PROD / DAY : 49.0  
 REMAINING LIFE : 2.25  
 0.00  
 CUM PRODUCTION : 38598.  
 FINAL PROD / DAY : 23.0

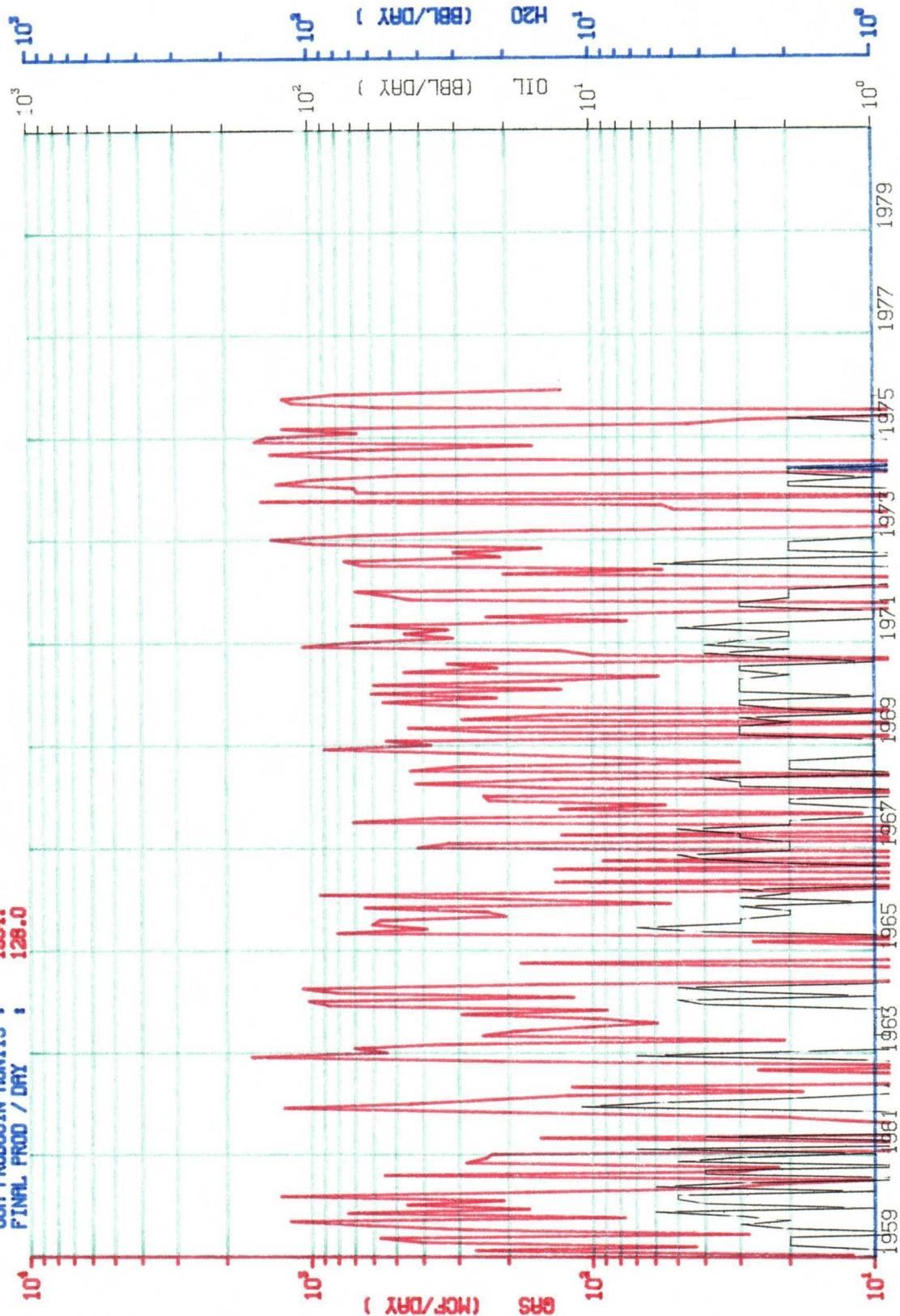


LEASE- 600022 : SIMS  
 RESVR- 160 : DRINKARD - DRINKARD  
 WELL - 00001

PPROD  
 SINGLE WELL 600022 160 00001  
 NY 46, CL- 0, PM- NF, CT- DL

1 /59-12/75

INITIAL PROD / DAY : 12.0  
REMAINING LIFE : 17.00  
CUM PRODUCTN-UNITS : 0.00  
FINAL PROD / DAY : 1954.  
128.0



LEASE- 600022 : SIMS  
RESVR- 100 : BLINDBRY  
WELL - 00001

PFR00D  
SINGLE WELL 600022 100 00001  
NM 46, CL- 0 , PM- NF , CT- DL

**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.

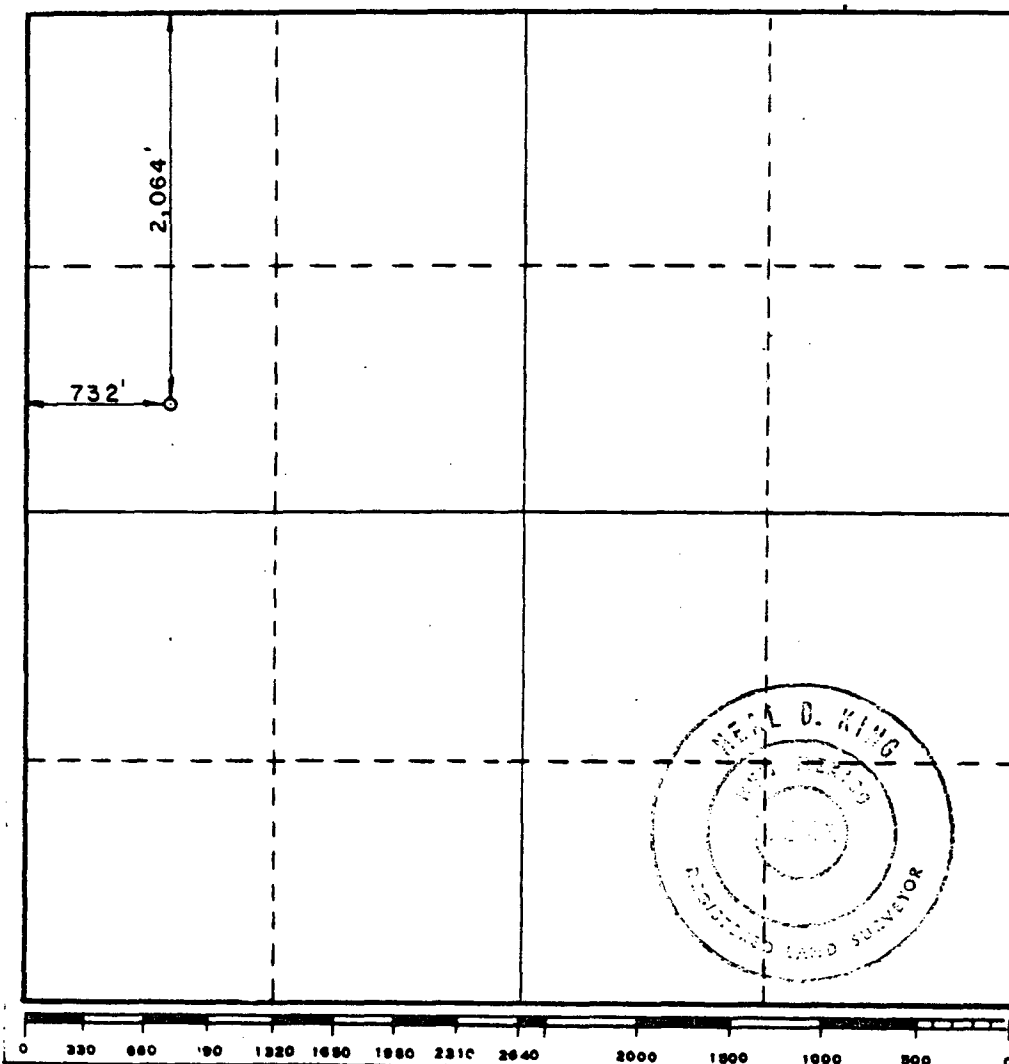
Operator <b>Phillips Petroleum Co.</b>		Lease <b>Sims</b>		Well No. <b>2</b>
Unit Letter <b>E</b>	Section <b>24</b>	Township <b>22 South</b>	Range <b>37 East</b>	County <b>Lea</b>
Actual Footage Location of Well: <b>2,064</b> feet from the <b>North</b> line and <b>732</b> feet from the <b>West</b> line				
Ground Level Elev.	Producing Formation	Pool	Dedicated Acreage:  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.*

Name \_\_\_\_\_

Position \_\_\_\_\_

Company \_\_\_\_\_

Date \_\_\_\_\_

*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.*

**Sept. 8, 1983**

Date Surveyed \_\_\_\_\_

Registered Professional Engineer  
and/or Land Surveyor

6541

Certificate No. \_\_\_\_\_

*Wesley D. King*

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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:

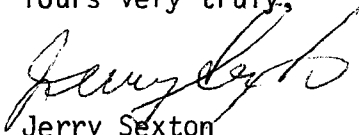
I have examined the application for the:

<u>Phillips Petroleum Co.</u>	<u>Sims #1-L</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