



PHILLIPS PETROLEUM COMPANY

ODESSA, TEXAS 79762
4001 PENBROOK

EXPLORATION AND PRODUCTION GROUP
Permian Basin Region

January 9, 1991

OIL CONSERVATION DIVISION
RECEIVED

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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. 2 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. 2
3300' FNL 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 1.0 BOPD and 151 MCFPD.
 and the Blinebry zone is producing approximately 157 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 October, 1947, in the Drinkard formation from 6375' - 6395'. It had an initial flowing potential of 120 BOPD and 88 MCFPD. This interval was acidized several times with 15% HCl and fracture treated in March,

(e) Continued

1962. The well was deepened and recompleted open hole in May, 1974, in the Drinkard formation from 6996' - 7250' and perforated from 6339' - 6868'.

In January, 1977, the Blinebry formation was perforated from 5432' - 5735' and the well was dually completed with the Blinebry producing up the tubing-casing annulus and the Drinkard producing up the tubing. Initial flowing potential was 1806 MCFPD.

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.

Gas production from the Blinebry is estimated at 157 MCFPD. Unrestricted production from the Drinkard is estimated at 1.0 BOPD and 150 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

(0 BOPD) x (\$20.00/BBL) = \$ 0/day

+ (157 MCFPD) x (\$ 1.00/MCF) = \$ 157/day

TOTAL BLINEBRY = \$ 157/day

South Brunson Drinkard Abo

(1 BOPD) x (\$20.00/BBL) = \$ 20/day

+ (150 MCFPD) x (\$ 1.00/MCF) = \$ 150/day

TOTAL DRINKARD = \$ 170/day

TOTAL INDIVIDUAL STREAMS = \$ 327/day

Commingled Streams:

(1 BOPD) x (\$20.00/BBL) = \$ 20/day

+ (307 MCFPD) x (\$ 1.00/MCF) = \$ 307/day

TOTAL COMMINGLED STREAMS = \$ 327/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)

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 Jim
Larry M. Sanders, Supervisor
Regulation and Proration

Attachments

cc: NMOC, Hobbs Office
Offset Operators

AREA NORTH

SUBAREA SHAFTER LAKE

DATE: 01/04/91

RKB @ 3335'

CHF @ (13')

GL @ 3322'

LEASE & WELL NO. SIMS # 2

LEGAL DESCRIPTION 3300' FNL, 661' FNL SEC. 24, T-22-S, R37-E

LEA, COUNTY NEW MEXICO

TOC @ SURF.

FIELD DRINKARD - BLINEBRY

STATUS FLOWING: 3.5 BOPD 0 BOPD 175 MCF (DRINKARD 9/90)
0.5 BOPD 0 BOPD 240 MCF (BLINEBRY 9/90)

TBG. 2 3/8" @ 6339'

BAKER LOCSET PKR. @6307'

BAKER SLIDING SLEEVE @6305'

STIMULATION HISTORY:

	INTERVAL	DATE	TYPE	GALLONS	LBS. SAND	MP	ISDP	IR	Down
1.	6996'-7170'	08/31/47	15%	1000		2000			2 3/8
2.	6996'-7170'	09/03/47	15%	4000		2150			2 3/8
3.	6375'-6395'	04/11/62	15%	1000					3 1/2
4.	6375'-6395'	04/11/62	OIL	20000	30000	6500	2400		3 1/2
5.	6996'-7250'	03/20/74	28%	2500		2750	1600	4.5	2 3/8
6.	6784'-6868'	03/23/74	28%	1800		2975	600		2 3/8
7.	6597'-6710	03/23/74	28%	1100		3250	1050		2 3/8
8.	6339'-6442'	03/27/74	28%	2500		1600	VAC		2 3/8
9.	5442'-5735'	01/21/77	28%	5000		2100	VAC	4	2 3/8

WORKOVER PROPOSAL: COMMINGLE APPLICATION (DOWNHOLE)

RECOMMENDED PROCEDURE:

PERFS: BLINEBRY ZONE
5442'-5735' 48 HOLES

PERFS: TUBB :6200' (4 HOLES)
6212'-6213 (4 HOLES)
SQZD:6200'-6344' ON 04/14/62 W/35 SX CMT.

BAKER SLIDING SLEEVE @ 6305
BAKER LOC SET PKR @ 6307

PERFS: DRINKARD ZONE
6339'-6868' (115 HOLES)
6375'-6395' (120 HOLES)

PERFS: CLEARFORK
6400'-6420' 120 HOLES
SQZD 09/13/47 16 SX COMMON CMT.

5 1/2" OD @ 6996.03' TOC @ 3450'
14#- 17# J-55
6996'-7250 7 7/8" HOLE

OPEN HOLE
PBDT @ 7250'

PPCO. W.I.: 100 %

Checked By:

RESV. ENGR.: V. L. SKINNIDER

PROD. ENGR.: S. E. GUTBERLET

TD @ 7305'

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-4-65

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

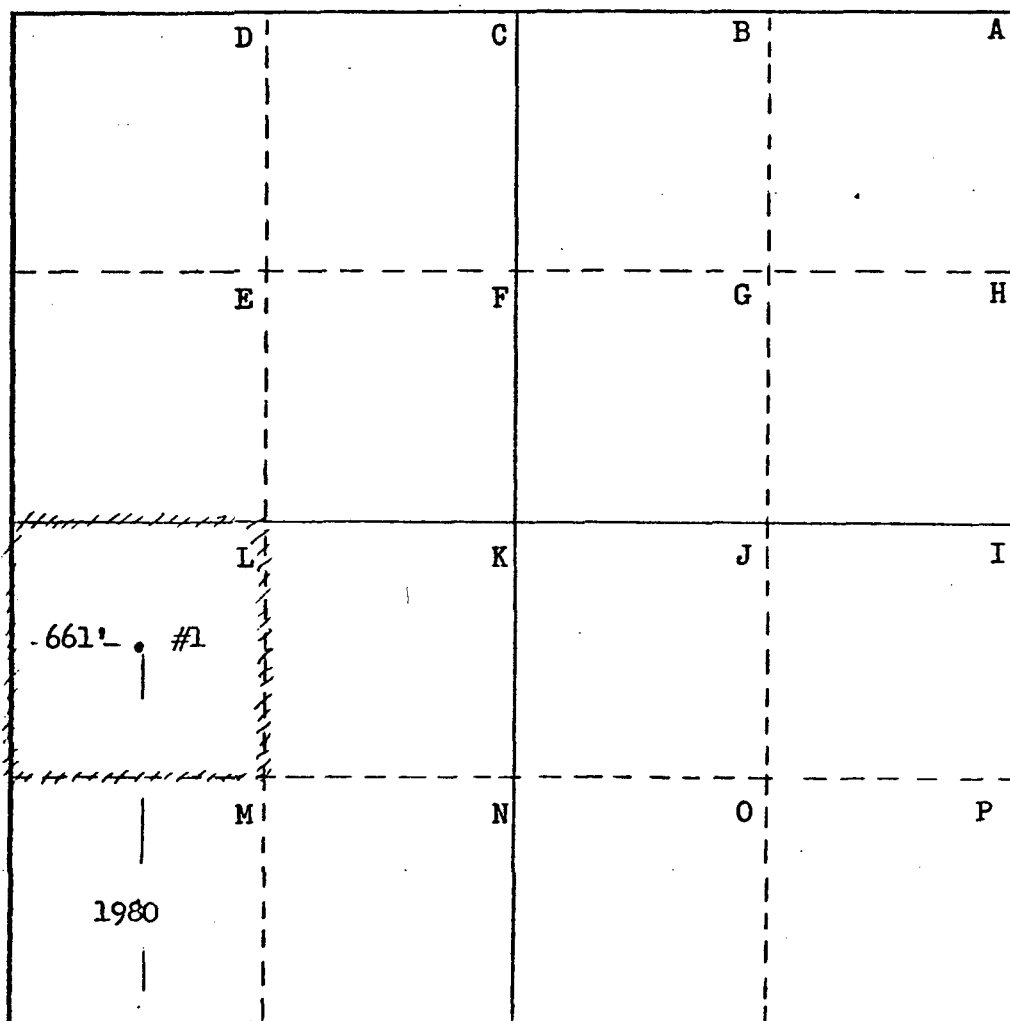
Operator Phillips Petroleum Company			Lease Sims		Well No. 1
Unit Letter L	Section 24	Township 22-S	Range 37-E	County Lea	
Actual Footage Location of Well: 661 feet from the West line and 1980 feet from the South line					
Ground Level Elev. 3332' GR, 3335' RKB	Producing Formation Drinkard		Pool Drinkard		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.

Name
W. J. Mueller
Position
Senior Reservoir Engineer
Company
Phillips Petroleum Company
Date
4-23-75

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
4-27-45
Registered Professional Engineer
and/or Land Surveyor

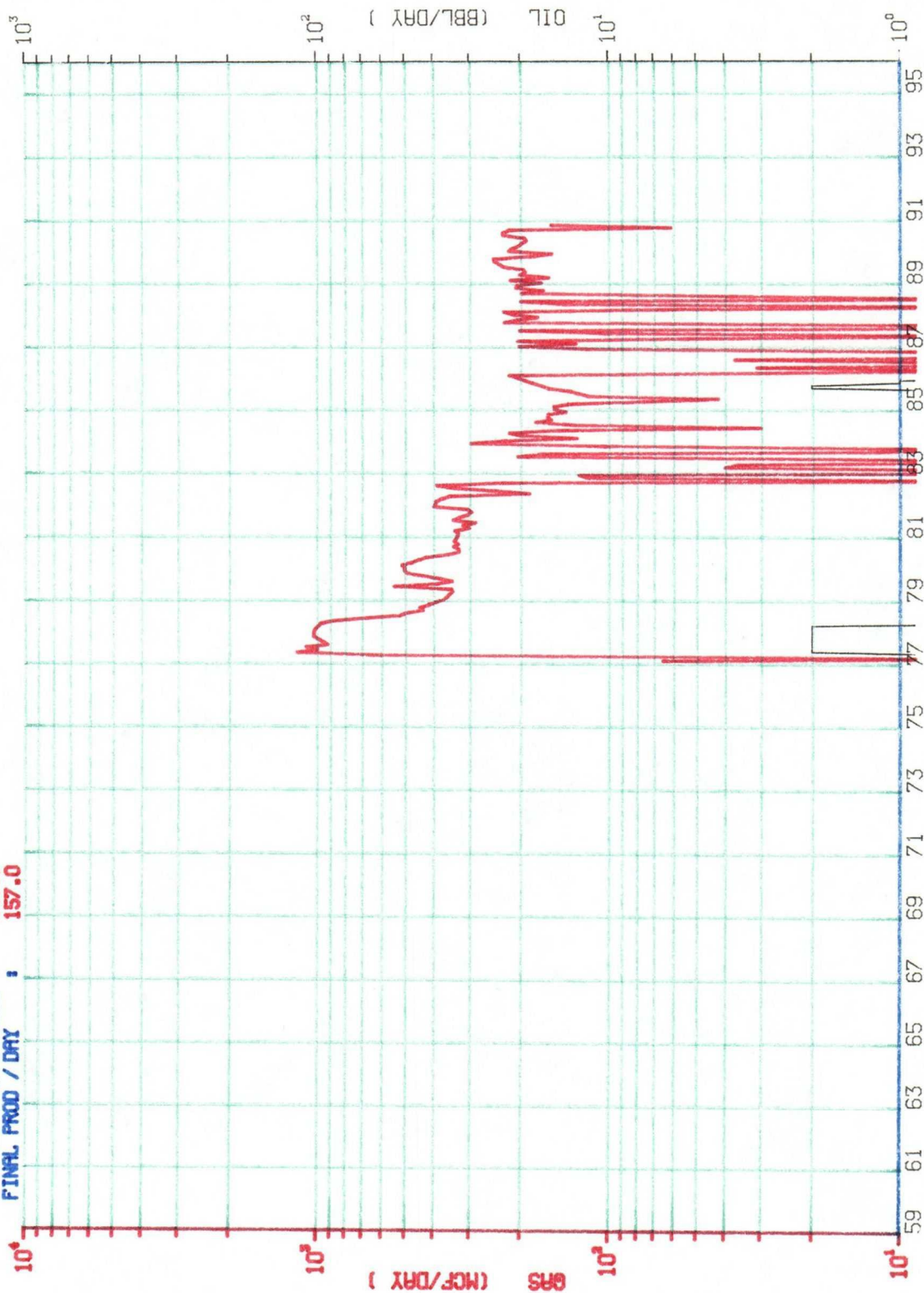
C. S. Skinner
Certificate No.

0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0

2 777-11/90

INITIAL PROD / DAY :
 REMAINING LIFE :
 CUM PRODUCTN-MUNITS :
 FINAL PROD / DAY :

65.0
 13.83
 0.00
 1411.
 157.0



LEASE- 600022 : SIMS
 RESVR- 100 : BLINBRY
 WELL - 00002

PPROD
 SINGLE WELL, 600022 100 00002
 NM 46, CL- NC, PM- NF, CT- DU

1/89-11/90

INITIAL PROD / DAY : 182.0
REMAINING LIFE : 1.92
CUM PRODUCTION : 0.00
FINAL PROD / DAY : 101257.
151.0



PPROD SINGLE WELL 600022 161 00002
NM 46, CL-0, PM-NF, CT-DU

LEASE- 600022 : SIMS
RESVR- 161 : BRUNSON E - DRINKARD AB
WELL - 00002

1 / 87-3 / 89

INITIAL PROD / DAY :
REMAINING LIFE :

283.0
2.25
0.00
122092.
163.0

CUM PRODUCTION :
FINAL PROD / DAY :

10³

10²

GRS (MCF/DAY)

10¹

10⁰

10³

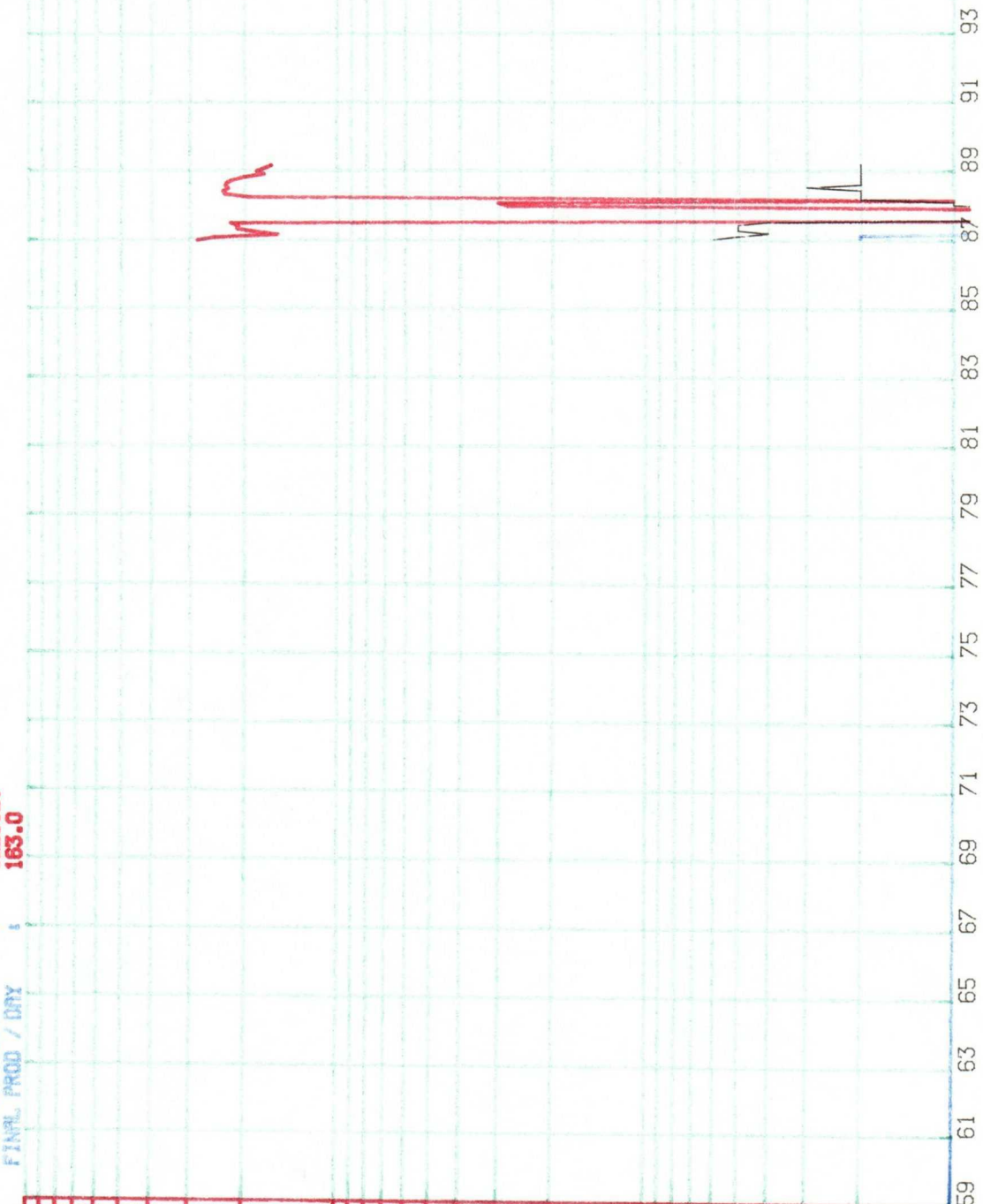
10²

OIL (BBL/DAY)

10¹

10⁰

H2O (BBL/DAY)

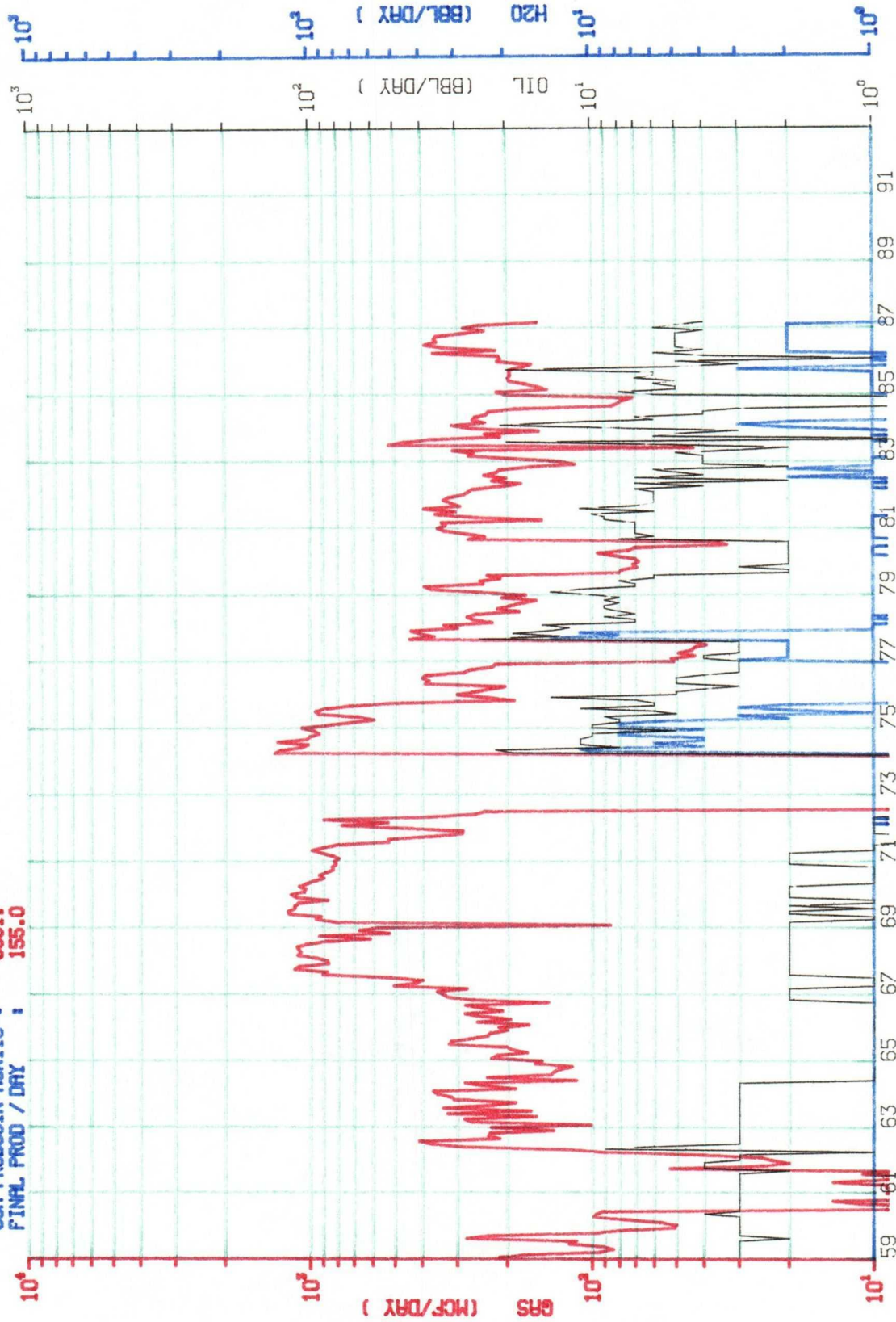


LEASE- 600022 : SIMS
RESVR- 160 : DRINKARD - DRINKARD
WELL - 00002

PPROD
SINGLE WELL 600022 160 00002
NM 46, CL- 0 , PM- NF , CT- DU

1 /59-3 /87

INITIAL PROD / DAY : 214.0
 REMAINING LIFE : 28.25
 0.00
 CUM PRODUCTN-MUNITS : 3561.
 FINAL PROD / DAY : 155.0

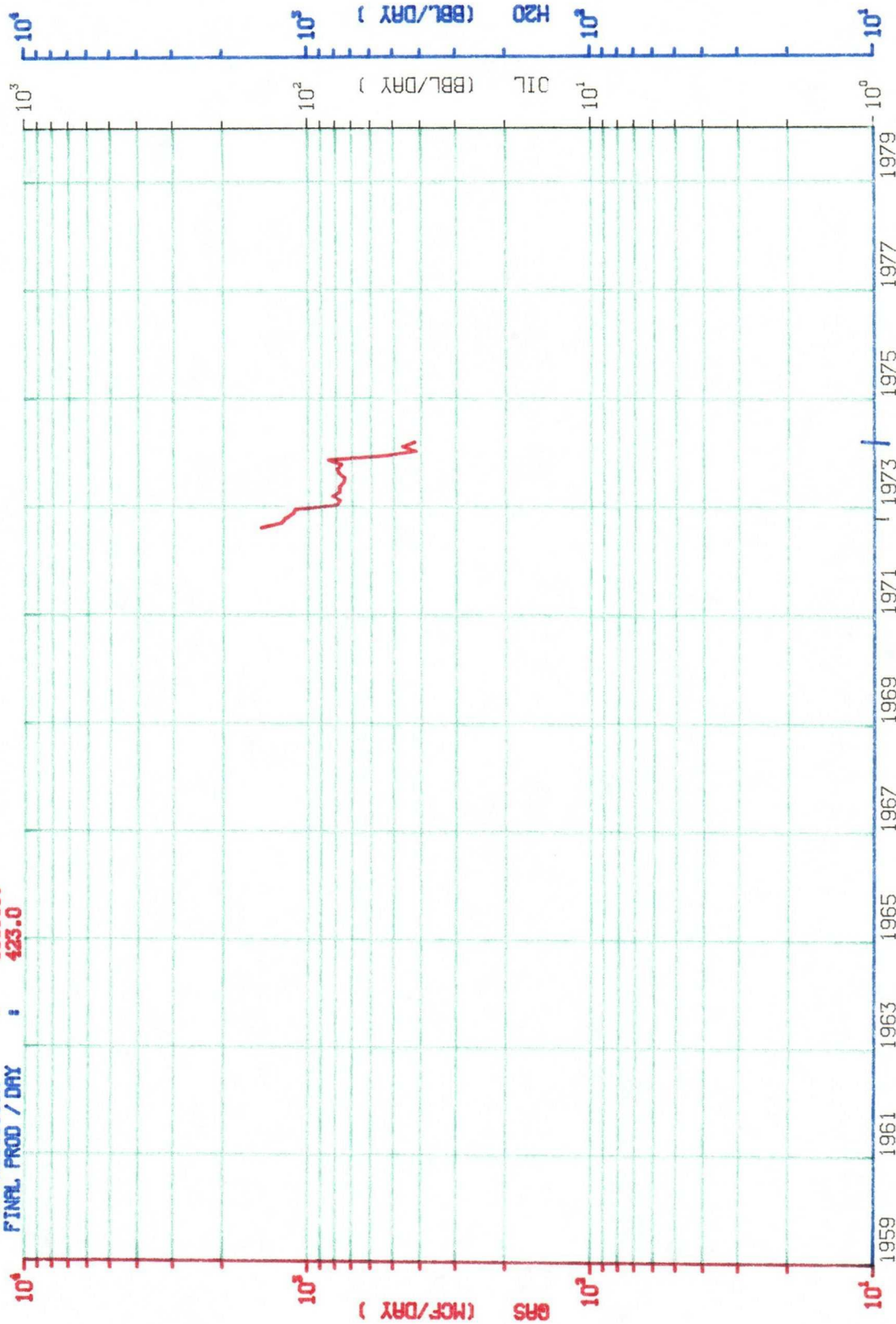


LEASE- 600022 : SIMS
 RESVR- 158 : DRINKARD
 WELL - 00002

PPROD
 SINGLE WELL 600022 158 00002
 NM 46, CL- NC, PM- NF , CT- DU

8 772-3 774

INITIAL PROD / DAY : 1485.0
 REMAINING LIFE : 1.67
 CUM PRODUCTION : 0.00
 FINAL PROD / DAY : 505659.
 423.0



LERSE- 600022 : SIMS
 RESVR- 159 : DRINKARD
 WELL - 00002

PPROD
 SINGLE WELL. 600022 159 00002
 NM 45, CL- NC, PM- NF, CT- DU

[illegible]

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

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:

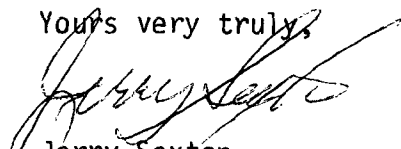
I have examined the application for the:

Phillips Petroleum Co.	Sims #2-E	24-22-37
Operator	Lease & Well No.	Unit S-T-R

and my recommendations are as follows:

OK

Yours very truly,


Jerry Sexton
Supervisor, District 1

/ed