

Case Number

6029

Application

Transcripts.

Small Exhibits

ETC.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
September 14, 1977

EXAMINER HEARING

IN THE MATTER OF:

Application of Phillips Petroleum)	CASE
Company for downhole commingling, Lea)	6029
County, New Mexico.)	

BEFORE: Richard L. Stamets, Examiner.

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil	Lynn Teschendorf, Esq.
Conservation Commission	Legal Counsel for the Commission
	State Land Office Building
	Santa Fe, New Mexico

For the Applicant:	W. Thomas Kellahin, Esq.
	KELLAHIN & FOX
	Attorneys at Law
	500 Don Gaspar
	Santa Fe, New Mexico

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General Court Reporting Service
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501
Phone (505) 982-9212

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1 MR. STAMETS: Call Next case, Number 6029.

2 MS. TESCHENDORF: Case 6029, application of Phillips
3 Petroleum Company for downhole commingling, Lea County, New
4 Mexico.

5 MR. KELLAHIN: Tom Kellahin of Kellahin and Fox,
6 Santa Fe, New Mexico, appearing on behalf of the applicant
7 and I have one witness.

8 (THEREUPON, the witness was sworn.)

9
10 WILLIAM J. MUELLER

11 was called as a witness by the applicant, and having been
12 first duly sworn, testified upon his oath as follows:

13
14 DIRECT EXAMINATION

15 BY MR. KELLAHIN:

16 Q Would you please state your name and address and by
17 whom you are employed and in what capacity?

18 A William J. Mueller and I am employed by Phillips
19 Petroleum Company as Reservoir Engineering Advisor, Odessa,
20 Texas.

21 Q Mr. Mueller, have you testified before the Commission
22 previously and had your qualifications as an expert witness
23 accepted and made a matter of record?

24 A Yes.

25 Q Have you made a study of and are you familiar with

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1 the facts surrounding this particular application?

2 A Yes, sir.

3 MR. KELLAHIN: If the Examiner please, are the
4 witness' qualifications acceptable?

5 MR. STAMETS: They are.

6 Q (Mr. Kellahin continuing.) Mr. Mueller, will you
7 refer to what we have marked as Applicant's Exhibit Number
8 One and identify it and tell us what Phillips is seeking?

9 A Applicant's Exhibit Number One is a plat showing
10 Phillips Petroleum Company's Sims Lease. The Sims Lease
11 encompasses the northwest quarter of the west half of the
12 southwest quarter of Section 24, 22 South, 37 East and
13 there are seven wells producing on the Sims Lease.

14 The well in Unit M of Section 24, the Sims No. 6,
15 Phillips Petroleum Company requests permission to downhole
16 commingle the current Tubb interval with the previously
17 approved downhole commingling of the Drinkard, McKee,
18 and Ellenburger zones.

19 Q What is the order number from the Commission that
20 previously approved the downhole commingling of those other
21 zones?

22 A That was Commission Order No. R-5178, dated March 10,
23 1976.

24 Q And that order resulted in permission to commingle
25 which zones?

1 A. The Drinkard, East Brunson McKee and East Brunson
2 Ellenburger zones.

3 Q And I assume you had a Commission administrative
4 order that allowed you to commingle two of those zones on a
5 previous occasion?

6 A. Yes, prior to that we had had an administrative
7 approval to downhole commingle the McKee and Ellenburger.

8 Q Refer to what has been marked as Exhibit Number
9 Two and identify that?

10 A. Exhibit Number Two is a chronological completion
11 history on Phillips Petroleum Company Sims Well No. 6. It
12 shows that the well was initially completed on April 20, 1968,
13 in the East Brunson Ellenburger Pool and the perforated interval
14 was between seventy-four sixty-nine to fifty-five fifty-
15 four.

16 It was subsequently plugged back and completed in
17 the East Brunson McKee Pool on April 9, 1973, and the
18 perforated interval was from seventy-three twenty-eight to
19 seventy-three forty-two.

20 Item Number Three shows the downhole commingling
21 of the above two zones approved by the Commission on May 7,
22 1973, and the combined production of those two zones at that
23 time was thirty-two barrels of oil, zero barrels water, with
24 a gas-oil ratio of eleven-ten.

25 We subsequently plugged back the well in 1974 to

1 the Drinkard between sixty-three eighty-seven to seventy-
2 two twenty-seven and the well at that time was pumping twenty-
3 five barrels of oil and twenty barrels of water with a gas-
4 oil ratio of twelve thousand.

5 On March 10, 1976, we received permission or
6 approval by Order R-5178 to downhole commingle the Drinkard
7 and the East Brunson Ellenburger and the East Brunson McKee
8 Pool completion and the well pumped then twelve oil and
9 twelve water.

10 In June of this year we plugged back the well and
11 tested the Tubb and made a Tubb completion between fifty-
12 nine ninety-three to six oh three nine and the well pumped
13 initially oil no water and the gas-oil ratio is seventy-four
14 forty-four.

15 Q In your opinion, Mr. Mueller, is the Tubb zone in
16 this well economically marginal?

17 A Yes, these are all marginal completions and require
18 artificial lift.

19 Q Please refer to Exhibit Number Three and identify
20 it?

21 A Exhibit Number Three is the Commission's Form 116
22 which shows the productivity test initially obtained on the
23 Tubb zone in the Sims Well No. 6, which is nine oil and no
24 water and 67 MCF with a gas-oil ratio of seventy-four forty-
25 four.

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1 Q Would you please identify Exhibit Number Four?

2 A Exhibit Number Four is a productivity test taken
3 of the downhole commingling of the Drinkard, East Brunson
4 Ellenburger and East Brunson McKee zones and prior to it
5 being plugged back to the Tubb it shows its capacity of
6 six barrels of oil and five barrels of water and 57 MCF
7 of gas with a gas-oil ratio of ninety-five hundred.

8 Q Would you identify Exhibit Number Five?

9 A Exhibit Number Five is a monthly production plot
10 obtained from the Sims Well No. 6 since May of 1976.

11 Showing on the left-hand side of this plot is the
12 combined monthly production of pay obtained from the
13 Drinkard-Ellenberger-McKee zones. As you can see that this
14 well has been probably averaging five barrels of oil per
15 day, four barrels of water per day, and the last three
16 months prior to plugging back to the Tubb it was approximately
17 600 MCF per month or 20 MCF per day.

18 Shown on the right-hand is two months of production
19 obtained from the Tubb zone since plug back and shows it has
20 only been producing approximately fifty to sixty barrels of
21 oil per month and approximately two barrels of oil per day and
22 approximately 12 MCF per day.

23 Q Would you identify Exhibit Number Six, please?

24 A Exhibit Number Six details the allocation approved
25 by the Commission in Order R-5178 when we had the combined

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1 downhole commingled, Drinkard, East Brunson Ellenburger and
2 East Brunson McKee zones.

3 It goes on to show what Phillips Petroleum Company
4 recommends to the Commission with the allocation, what it
5 would be, with the Tubb zone added to this downhole commingling,
6 and we are recommending that the Tubb zone be allocated
7 thirty percent of the oil and forty percent of the gas. The
8 Drinkard zone be allocated thirty percent of the oil and fifty
9 percent of the gas. The East Brunson Ellenburger, twenty
10 percent of the oil and five percent of the gas. The East
11 Brunson McKee zone twenty percent of the oil and five percent
12 of the gas.

13 These allocations are based on the actual production
14 obtained from the well in July and August of this year
15 rather than the initial nine barrel initial potential because
16 the nine barrels was not sustained.

17 Q Is the vertical ownership the same for all of the
18 zones in this well, Mr. Mueller?

19 A Yes, all royalty and working interest ownership is
20 the same in all formations.

21 Q In your opinion will the granting of this application
22 result in the recovery of addition hydrocarbons that would
23 not otherwise be recovered?

24 A Yes, the granting of downhole commingling of these
25 four zones should yield an additional three thousand to five

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1 thousand barrels of ultimate recovery.

2 Q In your opinion, Mr. Mueller, will the approval
3 of this application result in the damage of any formation?

4 A No, sir.

5 Q Were Exhibits One through Six prepared by you
6 directly or under your direction and supervision?

7 A Yes, sir.

8 Q In your opinion, Mr. Mueller, will the granting of
9 this application be in the best interest of conservation, the
10 prevention of waste, and the protection of correlative
11 rights?

12 A Yes, sir.

13 MR. KELLAHIN: We move the introduction of Exhibit
14 One through Six.

15 MR. STAMETS: These Exhibits will be admitted.

16 MR. KELLAHIN: That concludes our examination.

17

18 CROSS EXAMINATION

19 BY MR. STAMETS:

20 Q Mr. Mueller, which exhibit is this draft?

21 A I believe that is five, sir.

22 Q Now, you indicated that your division of production
23 and which is Exhibit Six was based on production in July
24 and August and the production that is shown on Exhibit Five
25 does that go through May or June?

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1 A. The production shown on Exhibit Five for the
2 combined Drinkard, Ellenburger and McKee zones the last
3 plotted there would be June for approximately one hundred
4 and twenty-five barrels of oil but that would be -- was
5 not a full month. It was in the middle of June when we
6 plugged the well back and that is why the Tubb zone also
7 shows in June production.

8 Q. Okay. Now, you indicated, again, that the division
9 is based on July and August production. Do you have those
10 figures here or could you submit them?

11 A. I believe I have the July C-115 with me. I don't
12 have the August ones.

13 Q. Anyhow, I would like to have those two figures
14 either presented now or presented later.

15 A. The July and August figures for the Tubb zone?

16 A. Yes.

17 A. Right, okay.

18 Q. That will help me evaluate the accuracy of these
19 percentages.

20 A. All right.

21 Q. Is there any incompatibility problems between the
22 crudes from these zones?

23 A. No, sir.

24 Q. And there is no water produced by the Tubb zone?

25 A. No water at all, sir, and only minor water combined

1 from the other -- approximately four barrels of water per
2 day from the McKee, Drinkard and Ellenburger from that
3 combination.

4 Q To your knowledge is there any other downhole
5 commingling involving these zones?

6 A No, sir, I did not check the field to see if anyone
7 else has combined all four zones.

8 MR. KELLAHIN: I don't think that they have.

9 Q (Mr. Stamets continuing.) And the well will be
10 pumped, is that correct?

11 A Yes, sir, all zones require artificial lift.

12 Q Where is the pump or where will it set in this
13 well?

14 A Currently the pump is set right below the current
15 Tubb interval. We have a plug-packer set -- the plug-packer
16 right now is set at approximately sixty-three hundred and
17 the pump is set there and we are producing through a sleeve
18 in the tubing and after downhole commingling the pump will
19 be lowered to the bottom, to approximately seventy-four
20 hundred feet.

21 Q What is the interval of the lower-most producing
22 zone of the well?

23 A That would be the Ellenburger at seventy-four sixty-
24 nine to seventy-five fifty-four.

25 MR. STAMETS: Okay. Any other questions of the

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1 witness? He may be excused. Is there anything further in
2 this case?

3 MR. KELLAHIN: No, sir.

4 MR. STAMETS: We will take the case under advise-
5 ment.

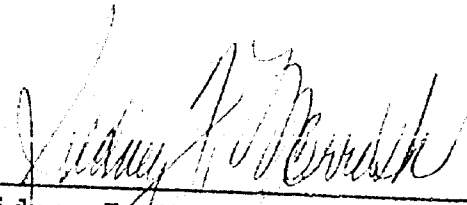
6 (THEREUPON, the witness was excused.)
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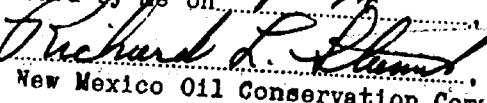
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REPORTER'S CERTIFICATE

I, SIDNEY F. MORRISH, a Certified Shorthand Reporter,
do hereby certify that the foregoing and attached Transcript
of Hearing before the New Mexico Oil Conservation Commission
was reported by me, and the same is a true and correct record
of the said proceedings to the best of my knowledge, skill
and ability.


Sidney F. Morrish, C.S.R.

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 6029
heard by me on 9-18, 19 27.
, Examiner
New Mexico Oil Conservation Commission

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BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 6029
Order No. R-5541

APPLICATION OF PHILLIPS PETROLEUM
COMPANY FOR DOWNHOLE COMMINGLING,
LEA COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on September 14, 1977, at Santa Fe, New Mexico, before Examiner Richard L. Stamets.

NOW, on this 18th day of October, 1977, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Phillips Petroleum Company, is the owner and operator of the Sims Well No. 6, located in Unit M of Section 24, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico.

(3) That the applicant seeks authority to commingle Tubb, Drinkard, East Brunson-McKee and East Brunson-Ellenburger production within the wellbore of the above-described well.

(4) That from each of said zones, the subject well is capable of low marginal production only.

(5) That the proposed commingling may result in the recovery of additional hydrocarbons from each of the subject pools, thereby preventing waste, and will not violate correlative rights.

(6) That by Order No. R-5178, dated March 10, 1976, the Commission authorized the commingling of Drinkard, Ellenburger, and McKee production in the wellbore of the subject well, and that said order should be superseded.

(7) That the reservoir characteristics of each of the subject zones are such that underground waste would not be caused by the proposed commingling provided that the well is not shut-in for an extended period.

-2-

Case No. 6029
Order No. R-5541

(8) That to afford the Commission the opportunity to assess the potential for waste and to expeditiously order appropriate remedial action, the operator should notify the Hobbs district office of the Commission any time the subject well is shut-in for 7 consecutive days.

(9) That in order to allocate the commingled production to each of the commingled zones in the subject well, 30 percent and 40 percent of the commingled oil and gas production, respectively, should be allocated to the Tubb zone, 30 percent and 50 percent of the commingled oil and gas production, respectively, to the Drinkard zone, 20 percent and 5 percent of the commingled oil and gas production, respectively, to the East Brunson-McKee zone, and 20 percent and 5 percent of the commingled oil and gas production, respectively, to the East Brunson-Ellenburger zone.

IT IS THEREFORE ORDERED:

(1) That the applicant, Phillips Petroleum Company, is hereby authorized to commingle Tubb, Drinkard, East Brunson-McKee and East Brunson-Ellenburger production within the wellbore of the Sims Well No. 6, located in Unit M of Section 24, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico.

(2) That 30 percent and 40 percent of the commingled oil and gas production, respectively, shall be allocated to the Tubb zone, 30 percent and 50 percent of the commingled oil and gas production, respectively, shall be allocated to the Drinkard zone, 20 percent and 5 percent of the commingled oil and gas production, respectively, to the East Brunson-McKee zone, and 20 percent and 5 percent of the commingled oil and gas production, respectively, shall be allocated to the East Brunson-Ellenburger zone.

(3) That the operator of the subject well shall immediately notify the Commission's Hobbs district office any time the well has been shut-in for 7 consecutive days and shall concurrently present, to the Commission, a plan for remedial action.

(4) That Commission Order No. R-5178, dated March 10, 1976, is hereby superseded.

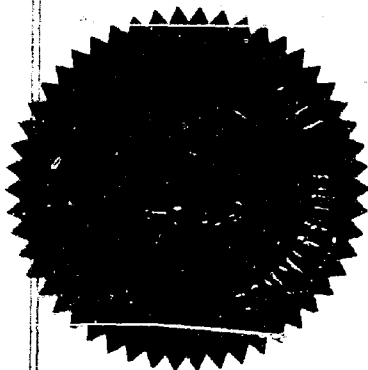
(5) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

-3-

Case No. 6029

Order No. R-5541

DONE at Santa Fe, New Mexico, on the day and year
hereinabove designated.



STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

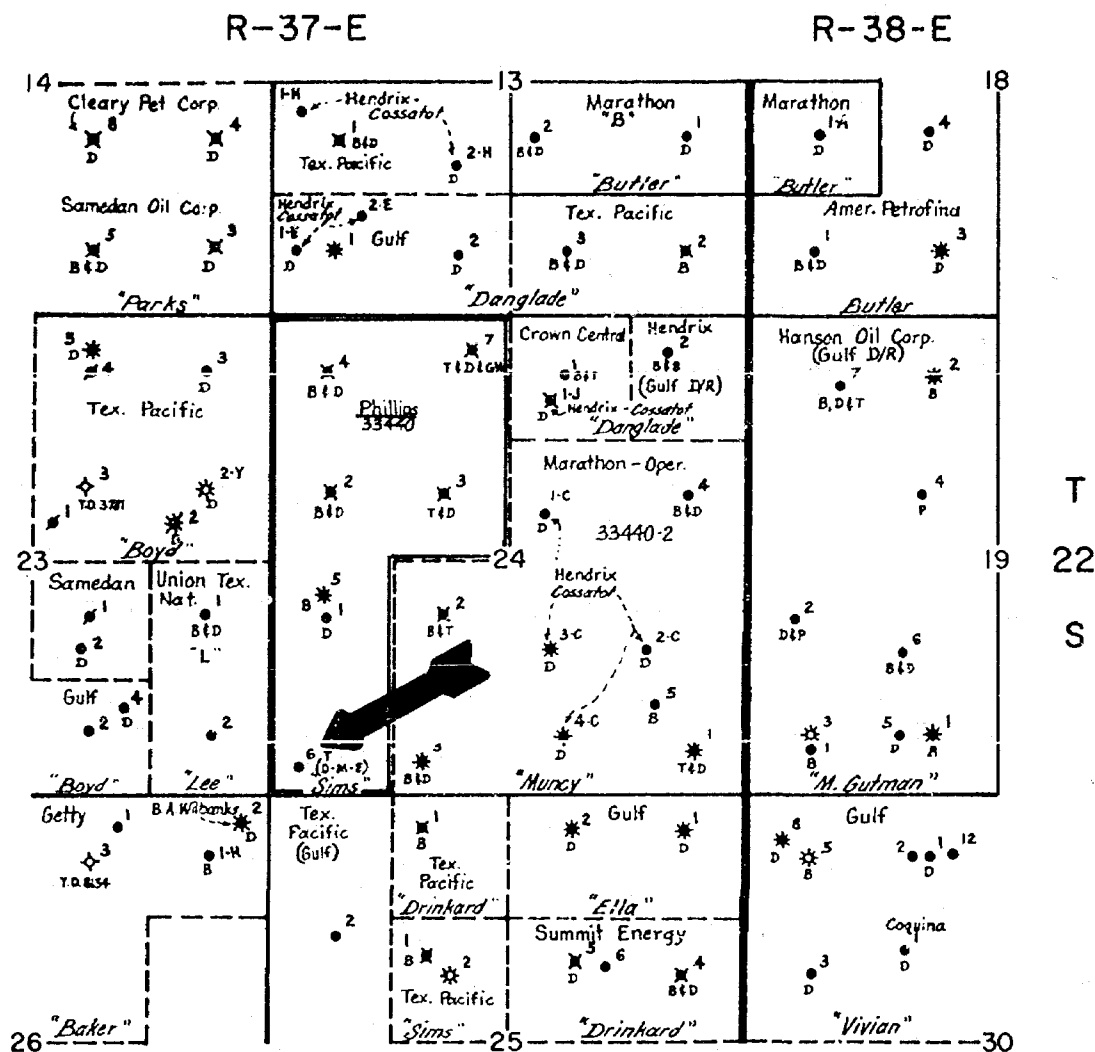
Phil R. Lucero
PHIL R. LUCERO, Chairman

Emery C. Arnold
EMERY C. ARNOLD, Member

Joe D. Ramey
JOE D. RAMEY, Member & Secretary

S E A L

jr/



PHILLIPS PETROLEUM COMPANY

SIMS LEASE

SEC. 24-22S-37E

LEA COUNTY, NEW MEXICO

SCALE 1" = 2000'

LEGEND

P - Paddock
B - Blinbry
T - Tubb
D - Drinkard

M - McKee
E - Ellenburger
GW - Granite Wash

BEFORE EXAMINER STAMETS
OIL CONSERVATION COMMISSION

Phillips EXHIBIT NO. 1

CASE NO. 6029

Submitted by Mueller

Hearing Date 14 Sep 77

PHILLIPS PETROLEUM COMPANY
OIL CONSERVATION COMMISSION
Phillips *2*
CASE NO. *6029*
Submitted by _____
Hearing Date *14 Sep 77*

CASE NO. 6029
DOCKET NO. 28-77
September 14, 1977

PHILLIPS PETROLEUM COMPANY
SIMS LEASE WELL NO. 6
370' FSL and 330' FWL (Unit M),
Section 24, T-22-S, R-37-E,
Lea County, New Mexico.

COMPLETION HISTORY

Spudded January 13, 1968; 8-5/8" O.D. casing at 1,137 feet;
TD 7,625 feet; 4-1/2" O.D. casing at 7,625 feet.

1. East Brunson Ellenburger Completion

Interval: 7,469 feet to 7,554 feet.
I.P.P.: April 20, 1968, 14 barrels oil, 5 barrels water, GOR 1,049.

2. East Brunson McKee Completion

Interval: 7,328 feet to 7,342 feet.
I.P.P.: April 9, 1973, 13 barrels oil, 0 barrels water, GOR 725.

3. Downhole Commingled Ellenburger and McKee

NMOCC: DHC-126, May 7, 1973.
I.P.P.: May 20, 1973, 32 barrels oil, 0 barrels water, GOR 1,110.

4. Drinkard Completion

Interval: 6,387 feet to 7,227 feet.
I.P.P.: May 29, 1974, 25 barrels oil, 20 barrels water, GOR 12,700.

5. Downhole Commingled Drinkard, Ellenburger, and McKee

NMOCC: Order No. R-5178, March 10, 1976.
I.P.P.: May 11, 1976, 12 barrels oil, 12 barrels water, GOR 1,195.

6. Tubb Completion

Interval: 5,993 feet to 6,039 feet.
I.P.P.: June 19, 1977, 9 barrels oil, 0 barrels water, GOR 7,444.

NEW MEXICO OIL CONSERVATION COMMISSION
GAS-OIL RATIO TESTS

C-116
Revised 1-1-65

Operator Phillips Petroleum Company		Well Tubb-oil				County Lea										
Address Phillips Building, Room 806, Odessa, Texas 79761						TYPE OF TEST - (X)		Scheduled <input type="checkbox"/>		Completion <input type="checkbox"/>		Special <input checked="" type="checkbox"/>				
LEASE NAME	WELL NO.	LOCATION				DATE OF TEST	STATUS	CHOKE SIZE	TSG. PRESS.	DAILY ALLOWABLE	LENGTH OF TEST HOURS	PROD. DURING TEST				GAS - OIL RATIO CU.FT./BBL
		U	S	T	R							WATER BBLs.	GRAV. OIL	OIL BBLs.	GAS M.C.F.	
Sims	6	M	24	22S	37E	6-19-77	P			New zone	24	0	36.1	9	67	7444
<p>BEFORE EXAMINER STARTS OIL CONSERVATION COMMISSION Phillips EXHIBIT NO. 3 CASE NO. 60 29 Submitted by Hearing Date 14 Sep 77</p> <p>Productivity Test</p>																

No well will be assigned an allowable greater than the amount of oil produced on the official test.


During gas-oil ratio test, each well shall be produced at a rate not exceeding the top unit allowable for the pool in which well is located by more than 25 percent. Operator is encouraged to take advantage of this 25 percent tolerance in order that well can be assigned increased allowables when authorized by the Commission.

Gas volumes must be reported in MCF measured at a pressure base of 15.025 psia and a temperature of 60° F. Specific gravity base will be 0.60.

Report casing pressure in lieu of tubing pressure for any well producing through casing.

Mail original and one copy of this report to the district office of the New Mexico Oil Conservation Commission in accordance with Rule 301 and appropriate pool rules.

I hereby certify that the above information is true and complete to the best of my knowledge and belief.

 W. J. Mueller
(Signature)

Engineering Advisor

(Title)

9-7-77

**NEW MEXICO OIL CONSERVATION COMMISSION
GAS-OIL RATIO TESTS**

C-116
Revised 1-1-65

Operator Phillips Petroleum Company		Pool East Brunson Ellenburger East Brunson-McKee-Drinkard						County Lea								
Address Phillips Building, Odessa, Texas 79762						TYPE OF TEST - (X) <input checked="" type="checkbox"/> (X)		Scheduled <input type="checkbox"/>		Completion <input type="checkbox"/>		Special <input checked="" type="checkbox"/> (X)				
LEASE NAME	WELL NO.	LOCATION				DATE OF TEST	STATUS	CHOKE SIZE	TBG. PRESS.	DAILY ALLOWABLE	LENGTH OF TEST HOURS	PROD. DURING TEST				GAS - OIL RATIO CU.FT./BBL
		U	S	T	R							WATER BBLs	GRAV. OIL	OIL BBLs	GAS M.C.F.	
Sims	6	M	24	22S	37E	6-8-77	P			13	24	5	38.9	6	57	9500

BEFORE EXAMINER SIGNATURES
OIL CONSERVATION COMMISSION

Phillips EXHIBIT NO. 4

CASE NO. 60029

Submitted by _____

Hearing Date 14 8 77

No well will be assigned an allowable greater than the amount of oil produced on the official test.

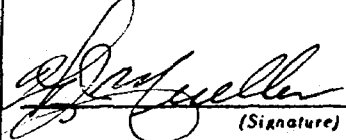
During gas-oil ratio test, each well shall be produced at a rate not exceeding the top unit allowable for the pool in which well is located by more than 25 percent. Operator is encouraged to take advantage of this 25 percent tolerance in order that well can be assigned increased allowables when authorized by the Commission.

Gas volumes must be reported in MCF measured at a pressure base of 15.025 psia and a temperature of 60° F. Specific gravity base will be 0.60.

Report casing pressure in lieu of tubing pressure for any well producing through casing.

Mail original and one copy of this report to the district office of the New Mexico Oil Conservation Commission in accordance with Rule 301 and appropriate pool rules.

I hereby certify that the above information is true and complete to the best of my knowledge and belief.


 (Signature) **W. J. Mueller**
 Engineering Advisor
 (Title)

9-7-77

Phillips Petroleum Co.
Sims Wall No. 6 (M-24-225-375) LRA Co., N.M.

K-E 5 YEARS BY MONTHS 46 6693
MADE IN U.S.A.
KEUFFEL & ESSER CO.

MC FPM

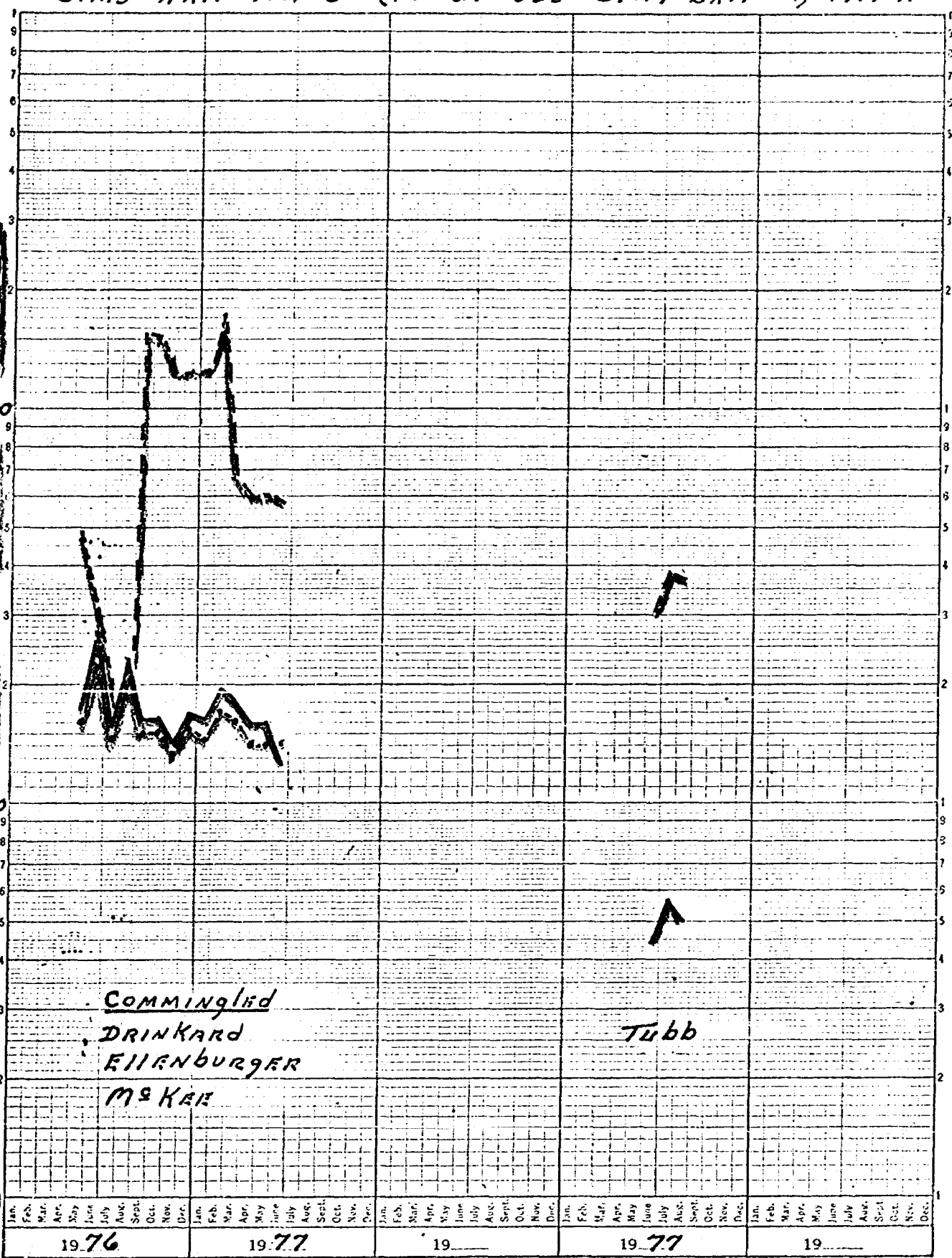
BW PPM

BO PPM

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100

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COMINGLED
DRINKARD
EILNBURGER
MSKAR

Tubb

CASE NO. 6029
DOCKET NO. 28-77
September 14, 1977

PHILLIPS PETROLEUM COMPANY
SIMS LEASE WELL NO. 6
Unit M, Section 24, T-22-S, R-37-E,
Lea County, New Mexico

New Mexico Oil Conservation Commission Order No. R-5178 dated March 10, 1976, provided for the allocation of the commingled production as follows:

	Well's Production	
	Oil	Gas
Drinkard Zone	40%	80%
East Brunson Ellenburger Zone	30%	10%
East Brunson McKee Zone	30%	10%

It is recommended that with the addition of the Tubb zone the allocation of the commingled production be as follows:

	Well's Production	
	Oil	Gas
Tubb Oil Zone	30%	40%
Drinkard Zone	30%	50%
East Brunson Ellenburger Zone	20%	5%
East Brunson McKee Zone	20%	5%

Handwritten notes: A bracket groups the Oil percentages (30%, 30%, 20%, 20%) with the number 70. Another bracket groups the Gas percentages (40%, 50%, 5%, 5%) with the number 60.

BEFORE EXAMINER STAMETS	
OIL CONSERVATION COMMISSION	
Phillips	EXHIBIT NO. 6
CASE NO.	6029
Submitted by	
Hearing Date	14 Sept 77

Dockets Nos. 30-77 and 31-77 are tentatively set for hearing on September 28 and October 12, 1977. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - SEPTEMBER 14, 1977

9 A.M. - OIL CONSERVATION COMMISSION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Richard L. Stamets, Examiner, or Daniel S. Nutter, Alternate Examiner:

- ALLOWABLE:** (1) Consideration of the allowable production of gas for October, 1977, from fifteen prorated pools in Lea, Eddy, Chaves, and Roosevelt Counties, New Mexico.
- (2) Consideration of the allowable production of gas for October, 1977, from four prorated pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 6016: (Continued from August 31, 1977 Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Commission on its own motion to permit Land Oil Company, American Employers' Insurance Company, and all other interested parties to appear and show cause why the Garner Well No. 1 located in Unit D of Section 23, Township 14 South, Range 25 East, Chaves County, New Mexico, should not be plugged and abandoned in accordance with a Commission-approved plugging program.

CASE 5981: (Continued from July 6, 1977 Examiner Hearing)

Application of W. A. Moncrief, Jr., for pool creation and special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks the creation of an oil pool for Upper-Pennsylvanian production for his State Well No. 1 located in Unit E of Section 26, Township 16 South, Range 33 East, Lea County, New Mexico, and the promulgation of special rules therefor, including a provision for 80-acre spacing.

CASE 5943: (Continued from July 20, 1977 Examiner Hearing)

Application of Yates Petroleum Corporation for the amendment of Order No. R-5445, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-5445 to provide for a 200 percent risk factor for drilling the unit well rather than 20 percent. Said order pooled the N/2 of Section 19, Township 20 South, Range 25 East, Eddy County, New Mexico.

CASE 6024: Application of Read & Stevens, Inc., for two unorthodox gas well locations, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for the unorthodox location of its R & J Federal Well No. 1 located in the center of Unit A of Section 20, Township 12 South, Range 31 East, and its Jackson Well No. 1, located in the center of Unit I of Section 25, Township 12 South, Range 30 East, Southeast Chaves-Queen Gas Area, Chaves County, New Mexico, the E/2 of said Section 20 and the S/2 of said Section 25, respectively, to be dedicated to the wells.

CASE 6025: Application of Roger C. Hanks for a special gas-oil ratio limitation, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the establishment of a special gas-oil ratio limitation of 4000 cubic feet of gas per barrel of oil for the North Dagger Draw-Upper Pennsylvanian Pool, Eddy County, New Mexico, retroactive to August 22, 1977.

CASE 6026: Application of William G. Rabe and Alice P. Rabe for a non-standard gas proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 160-acre non-standard gas proration unit comprising the NE/4 of Section 25, Township 27 North, Range 8 West, Blanco-Mesaverde Pool, San Juan County, New Mexico.

CASE 6027: Application of Great Lakes Chemical Corporation for a non-standard gas proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 160-acre non-standard gas proration unit comprising the SE/4 of Section 25, Township 27 North, Range 8 West, Blanco-Mesaverde Pool, San Juan County, New Mexico.

CASE 6028: Application of Union Oil Company of California for a unit agreement, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for its Luzon Unit Area comprising 5117 acres, more or less, of Federal and fee lands in Township 24 South, Ranges 35 and 36 East, Lea County, New Mexico.

CASE 6029: Application of Phillips Petroleum Company for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for the downhole commingling of Tubb, Drinkard, East Brunson-McKee, and East Brunson-Ellenburger production in the wellbore of its Sims Well No. 6 located in Unit M of Section 24, Township 22 South, Range 37 East, Lea County, New Mexico.

- CASE 6030: Application of Burleson & Huff for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests underlying the SE/4 SE/4 of Section 4, Township 25 South, Range 37 East, Langlie-Mattix Pool, Lea County, New Mexico, to be dedicated to its re-entered Smith Well No. 1 located in Unit P of said Section 4, or in the alternative, to a well to be drilled at a standard location thereon. Also to be considered will be the cost of re-entering and recompleting or of drilling and completing the unit well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in recompleting or drilling said well.
- CASE 6032: Application of Burleson & Huff for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests underlying the SW/4 SW/4 of Section 21, Township 25 South, Range 37 East, Langlie-Mattix Pool, Lea County, New Mexico, to be dedicated to its re-entered Lanehart Well No. 1-Y located in Unit M of said Section 21, or, in the alternative, to a well to be drilled at a standard location thereon. Also to be considered will be the cost of re-entering and recompleting or of drilling and completing the unit well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in recompleting or drilling said well.
- CASE 6031: Application of Rex Alcorn for compulsory pooling and an unorthodox location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests underlying the E/2 SW/4 of Section 35, Township 16 South, Range 37 East, West Knowles-Drinkard Pool, Lea County, New Mexico, to be dedicated to a well to be drilled at an unorthodox location 2310 feet from the South line and 1980 feet from the West line of said Section 35. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 6033: Application of Basin Fuels, Inc., for salt water disposal, McKinley County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the Mesaverde formation through the perforated interval from 1948 feet to 2755 feet in its Slick Well No. 1 located in Unit O of Section 7, Township 20 North, Range 5 West, Franciscan Lake-Mesaverde Pool, McKinley County, New Mexico.
- CASE 6034: Application of Flag-Redfern Oil Company for salt water disposal, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to dispose of produced salt water into the San Andres formation through the perforated interval from 4941 feet to 5022 feet in its Bilbrey "51" Well No. 1 located in Unit A of Section 23, Township 9 South, Range 37 East, Sawyer-San Andres Pool, Lea County, New Mexico.
- CASE 6035: Application of Southern Union Supply Co., for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the San Andres formation underlying the N/2 NE/4 of Section 30, Township 9 South, Range 33 East, Flying M-San Andres Pool, Lea County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 6017: (Continued from August 31, 1977 Examiner Hearing)
- Application of E. L. Latham, Jr. and Roy G. Barton, Jr., for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests underlying the E/2 NE/4 of Section 30, Township 9 South, Range 33 East, Flying M-San Andres Pool, Lea County, New Mexico, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicant as operator of the well and a charge for risk involved in drilling said well.
- CASE 6036: Application of E. L. Latham, Jr., and Roy G. Barton, Jr., for compulsory pooling of a standard or a non-standard oil proration unit and an unorthodox location, or in the alternative, 40-acre spacing, Lea County, New Mexico. Applicants, in the above-styled cause, seek an order pooling all mineral interests in the Flying M-San Andres Pool underlying the E/2 NE/4 of Section 30, Township 9 South, Range 33 East, Lea County, New Mexico, to be dedicated to a well to be drilled at an unorthodox location for said pool within 200 feet of the center of the NE/4 NE/4 of said Section 30, or an order pooling only the NE/4 NE/4 of Section 30 to form a non-standard 40-acre unit to be dedicated to the aforesaid well. In the alternative, applicants seek the amendment of the Flying M-San Andres Pool Rules to provide for 40-acre spacing, and seek an order pooling the aforesaid NE/4 NE/4 of Section 30 as a standard unit for said pool to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling

and completing the proposed well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision. Also to be considered will be the designation of applicants as operator of the well and a charge for risk involved in drilling said well.

CASE 6037: In the matter of the hearing called by the Oil Conservation Commission upon its own motion for the creation and extension of certain pools in Lea, Eddy, and Chaves Counties, New Mexico.

(a) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Delaware production and designated as the Combs-Delaware Gas Pool. The discovery well is the Penroc Oil Corporation Combs Federal Well No. 1 located in Unit P of Section 15, Township 20 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 27 EAST, NMPM
Section 15: SE/4

(b) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the East Lake-Morrow Gas Pool. The discovery well is the Coquina Oil Corporation Gulf Federal Well No. 1 located in Unit A of Section 5, Township 19 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 27 EAST, NMPM
Section 5: N/2

(c) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Cisco production and designated as the Hume-Cisco Pool. The discovery well is Vaquero Independent Producers, Inc. Jackrabbit Draw Com Well No. 1 located in Unit L of Section 15, Township 16 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 16 SOUTH, RANGE 33 EAST, NMPM
Section 15: SW/4

(d) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Morrow production and designated as the West Malaga-Morrow Gas Pool. The discovery well is the HNG Oil Company Ogden 6 Com Well No. 1 located in Unit H of Section 8, Township 24 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 28 EAST, NMPM
Section 8: E/2

(e) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production and designated as the Millman-Atoka Gas Pool. The discovery well is the Depco, Inc. DHY State B Well No. 1 located in Unit L of Section 11, Township 19 South, Range 28 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 28 EAST, NMPM
Section 11: W/2

(f) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for Abo production and designated as the Pearsall-Abo Pool. The discovery well is the Harvey E. Yates Company, Inc. South Maljamar Deep Well No. 1 located in Unit O of Section 30, Township 17 South, Range 32 East, NMPM. Said pool would comprise:

TOWNSHIP 17 SOUTH, RANGE 32 EAST, NMPM
Section 30: SE/4

(g) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Bone Springs production and designated as the Penlon-Bone Springs Pool. The discovery well is the Penroc Oil Corporation Allied B Well No. 1 located in Unit K of Section 27, Township 20 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 27 EAST, NMPM
Section 27: SW/4

(h) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Delaware production and designated as the Penlon-Delaware Gas Pool. The discovery well is the Penroc Oil Corporation Allied Com Well No. 2 located in Unit B of Section 27, Township 20 South, Range 27 East, NMPM. Said pool would comprise:

TOWNSHIP 20 SOUTH, RANGE 27 EAST, NMPM
Section 27: NE/4

(i) CREATE a new pool in Lea County, New Mexico, classified as a gas pool for Morrow production and designated as the Rock Lake-Morrow Gas Pool. The discovery well is the Union Oil Company of California Northern Natural State Well No. 1 located in Unit 0 of Section 28, Township 22 South, Range 35 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 35 EAST, NMPM
Section 28: S/2

(j) EXTEND the Avalon-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 27 EAST, NMPM
Section 22: S/2
Section 27: All
Section 34: N/2

(k) EXTEND the North Burton-Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM
Section 32: SW/4

(l) EXTEND the Burton Flat-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 27 EAST, NMPM
Section 24: All
Section 25: E/2
Section 36: All

TOWNSHIP 20 SOUTH, RANGE 28 EAST, NMPM
Section 16: All
Section 18: All
Section 19: All
Section 20: S/2
Section 21: All
Section 29: All
Section 30: All
Section 31: All
Section 32: All
Section 33: W/2

TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM
Section 4: Lots 3, 4, 5, 6, 11, 12, 13, & 14
Section 5: All
Section 8: S/2
Section 17: All
Section 20: All
Section 29: W/2
Section 30: All
Section 31: N/2
Section 32: W/2

(m) EXTEND the East Carlsbad-Wolfcamp Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 27 EAST, NMPM
Section 35: S/2

(n) EXTEND the South Carlsbad-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 26 EAST, NMPM
Section 13: N/2

(o) EXTEND the Cato-San Andres Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 8 SOUTH, RANGE 30 EAST, NMPM
Section 1: NE/4

TOWNSHIP 9 SOUTH, RANGE 30 EAST, NMPM
Section 8: NE/4

(p) EXTEND the Flying "M"-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 33 EAST, NMPM
Section 19: SE/4

(q) EXTEND the Indian Draw-Delaware Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 22 SOUTH, RANGE 28 EAST, NMPM
Section 7: SE/4 and N/2 SW/4
Section 18: W/2 SW/4

(r) EXTEND the South Leonard-Queen Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 26 SOUTH, RANGE 37 EAST, NMPM
Section 11: SW/4

(s) EXTEND the East Lusk-Bone Springs Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM
Section 16: SE/4

(t) EXTEND the West Tonto-Pennsylvanian Gas Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 33 EAST, NMPM
Section 7: S/2 and NE/4

(u) EXTEND the White City-Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 26 EAST, NMPM
Section 9: All
Section 19: All

Docket No. 29-77

DOCKET: COMMISSION HEARING - TUESDAY - SEPTEMBER 20, 1977

OIL CONSERVATION COMMISSION - 9 A.M. - CONFERENCE ROOM
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

CASE 5961: (REHEARING)

Application of D. L. Hannifin for amendment of Order No. R-4432, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the amendment of Order No. R-4432 to remove the present operator of the pooled proration unit comprising the S/2 of Section 24, Township 22 South, Range 26 East, South Carlsbad-Morrow Gas Pool, Eddy County, New Mexico, and to designate applicant as operator of said unit.

NOTEGRAM - TELEGRAM

PRIORITY			IF TELEGRAM	COMMUNICATIONS CODE
3	2	1		

Date 9/22/77

To Tom Kallahan Group or Staff _____ Address SANTA FE, N.M.
 From Bill Mullan Group or Staff _____ Address Phillips - Odessa, TX.

IN RE: SIMS No. 6 - D.H.C. - CASE No. 6029

Attached are three sets of the N.M.O.C.C. Forms C-115 showing the actual production reported from the Tubb zone for June, July, and August, 1977. These are the data Mr. Stamets requested at the hearing held 9/14/77. Will you plz. transmit to him.

[Signature]

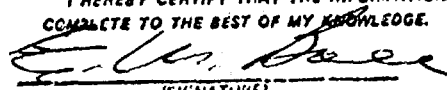
NEW MEXICO OIL CONSERVATION COMMISSION
BOX 2088 SANTA FE, NEW MEXICO
OPERATOR'S MONTHLY REPORT

STATEWIDE FORM C-115 (REV. 12-1-72)
 SUBMIT: ORIGINAL TO OCC SANTA FE
 ONE COPY TO OCC DIST OFFICE
 ONE COPY TO TRANSPORTER

(Company or Operator) Phillips Petroleum Company (Address) Phillips Bldg., Odessa, Tx. 79761 FOR MONTH June, 1977 Page 9A of 34

POOL NAME (Underline) *LEASE NAME	WELL NO. UNIT SEC. TWP. RNG.	WELL STATUS	TOTAL LIQUIDS PRODUCED			GAS PRODUCED MCF	DAYS PROD.	DISPOSITION OF GAS					DISPOSITION OF OIL					
			MONTHLY OIL ALLOWABLE	ACTUAL BARRELS PRODUCED	BARRELS OF WATER PRODUCED			VENTED	USED ON LEASE	SOLD	PURCH.	OTHER	C O D E	OIL ON HAND BEG. OF MONTH	BARRELS TO TRANS- PORTER	OTHER	C O D E	TRANS- PORTER
*LEASE NAME - Include State Land Lease Number or Federal Lease Number																		
<u>TUBB</u> <u>Sims</u>	6 M 24 22 37	P	0	44	0	302	15			302	SKY		0	0			TNM	44

*LEASE NAME - Include State Land Lease Number or Federal Lease Number

STATUS CODE F FLOWING P PUMPING G GAS LIFT S SHUT IN T TEMP. ABANDONED I INJECTION	"OTHER" GAS DISPOSITION CODE X USED OFF LEASE U USED FOR DRILLING Q GAS LIFT L LOST (MCF ESTIMATED) E EXPLANATION ATTACHED R REPRESSURING OR PRESSURE MAINTENANCE	(DESTINATION MUST BE SHOWN ON FORM C-111) TNM, ATLANTIC	"OTHER" OIL DISPOSITION CODE C CIRCULATING OIL L LOST S SEDIMENTATION (BS&W) E EXPLANATION ATTACHED	I HEREBY CERTIFY THAT THE INFORMATION GIVEN IS TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE.  (SIGNATURE)	7-20-77 (DATE)
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(POSITION)

NEW MEXICO OIL CONSERVATION COMMISSION
BOX 2088 SANTA FE, NEW MEXICO
OPERATOR'S MONTHLY REPORT

STATEWIDE FORM C-115 (REV. 12-1-72)
 SUBMIT: ORIGINAL TO OCC SANTA FE
 ONE COPY TO OCC DIST OFFICE
 ONE COPY TO TRANSPORTER

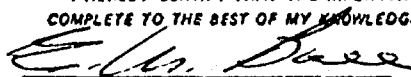
(Company or Operator) Phillips Petroleum Company (Address) Phillips Bldg., Odessa, Tx. 79761 FOR MONTH July, 1977 Page 9A of 34

POOL NAME (Underlined) *LEASE NAME	WELL STATUS WELL NO UNIT SEC TWP. RNC.	TOTAL LIQUIDS PRODUCED			GAS PRODUCED MCF	DAYS PROD.	DISPOSITION OF GAS					DISPOSITION OF OIL				
		MONTHLY OIL ALLOWABLE	ACTUAL BARRELS PRODUCED	BARRELS OF WATER PRODUCED			VENTED	USED ON LEASE	SOLO	PURCH.	OTHER	C O D E	OIL ON HAND BEG. OF MONTH	BARRELS TO TRANS- PORTEH	OTHER	C O D E
*LEASE NAME - Include State Land Lease Number or Federal Lease Number																
<u>SECTION I - OIL (CONT'D)</u>																
<u>TUBB</u>																
<u>Sims</u>																
6 M 24 22 37	P	279	56	0	384	31			384	SKY		44	0		TNM	100

STATUS CODE
 F FLOWING
 P PUMPING
 G GAS LIFT
 S SHUT IN
 T TEMP. ABANDONED
 I INJECTION

"OTHER" GAS DISPOSITION CODE
 X USED OFF LEASE
 D USED FOR DRILLING
 G GAS LIFT
 L LOST (MCF ESTIMATED)
 E EXPLANATION ATTACHED
 R REPRESSURING OR PRESSURE MAINTENANCE

"OTHER" OIL DISPOSITION CODE
 C CIRCULATING OIL
 L LOST
 S SEDIMENTATION (CS&W)
 E EXPLANATION ATTACHED

I HEREBY CERTIFY THAT THE INFORMATION GIVEN IS TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE.

 (SIGNATURE) 8-18-77
 (DATE)

NEW MEXICO OIL CONSERVATION COMMISSION
BOX 2088 SANTA FE, NEW MEXICO
OPERATOR'S MONTHLY REPORT

STATEWIDE FORM C-115 (REV. 12-1-72)
 SUBMIT: ORIGINAL TO OCC SANTA FE
 ONE COPY TO OCC DIST OFFICE
 ONE COPY TO TRANSPORTER

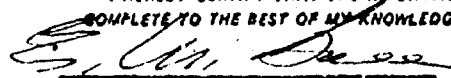
(Company or Operator) Phillips Petroleum Company (Address) Phillips Bldg., Odessa, Tx, 79761 FOR MONTH August, 1977 Page 9A of 34

POOL NAME (Underline) *LEASE NAME	WELL STATUS	TOTAL LIQUIDS PRODUCED			GAS PRODUCED MCF	DAYS PROD.	DISPOSITION OF GAS						DISPOSITION OF OIL				
		MONTHLY OIL ALLOWABLE	ACTUAL BARRELS PRODUCED	BARRELS OF WATER PRODUCED			VENTED	USED ON LEASE	SOLD	PURCH.	OTHER	C O D E	OIL ON HAND BEG. OF MONTH	BARRELS TO TRANS- PORTER	OTHER	C O D E	TRANS- PORTER
*LEASE NAME - Include State Land Lease Number or Federal Lease Number																	
<u>SECTION I - Continued</u>																	
<u>TJBB</u>																	
<u>Sims</u>																	
6 M 24 22 37	7	279	50	0	372	31				372	SKY		100	0		TNM 150	

STATUS CODE
 F FLOWING
 P PUMPING
 G GAS LIFT
 S SHUT IN
 T TEMP. ABANDONED
 I INJECTION

"OTHER" GAS DISPOSITION CODE
 X USED OFF LEASE (DESTINATION MUST BE SHOWN ON FORM C-111)
 D USED FOR DRILLING
 Q GAS LIFT
 L LOST (MCF ESTIMATED)
 E EXPLANATION ATTACHED
 R REPRESSURING OR PRESSURE MAINTENANCE

"OTHER" OIL DISPOSITION CODE
 C CIRCULATING OIL
 L LOST
 S SEDIMENTATION (CSAW)
 E EXPLANATION ATTACHED

I HEREBY CERTIFY THAT THE INFORMATION GIVEN IS TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE.

 (SIGNATURE) 9-19-77
 (DATE)

Case 6029

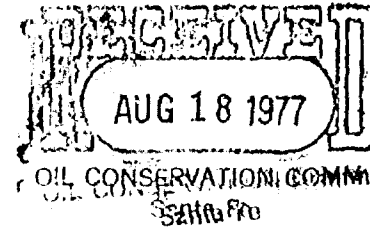
JASON W. KELLAHIN
ROBERT E. FOX
W. THOMAS KELLAHIN

KELLAHIN and FOX
ATTORNEYS AT LAW
800 DON GASPAR AVENUE
P. O. BOX 1769
SANTA FE, NEW MEXICO 87501

TELEPHONE 882-4318
AREA CODE 505

August 17, 1977

Mr. Dan Nutter
Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501



Re: Phillips Petroleum Company

Dear Dan:

Please find enclosed on behalf of Phillips Petroleum Company our application for downhole commingling of production from the Sims #6 well. Please schedule this matter for hearing on September 14, 1977.

Very truly yours,

W. Thomas Kellahin
W. Thomas Kellahin

CC: Mr. Bill Mueller
Mr. Charles Jordan

WTK:kfm

Enclosure

BEFORE THE
OIL CONSERVATION COMMISSION OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
PHILLIPS PETROLEUM COMPANY FOR
DOWN-HOLE COMMINGLING, LEA COUNTY,
NEW MEXICO.

A P P L I C A T I O N

COMES NOW Phillips Petroleum Company and applies to the Oil Conservation Commission of New Mexico for approval of down-hole commingling in this Sims Well No. 6 located in Unit M of Section 24, T22S, R37E, NMPM, Lea County, New Mexico, and in support thereof would show the Commission:

1. The Phillips Petroleum Company is currently authorized pursuant to NMOCC Order No. R-5178 to commingle production in this well from the East Brunson-Ellenburger, East Brunson-McKee and the Drinkard zones.

2. That applicant seeks authority to commingle Tubb production with the already approved zones.

3. Approval of this application will result in the production of hydrocarbons that would not otherwise be produced, will prevent waste, and will not cause any damage to any of the production formations. Correlative rights including those of offset operators will not be impaired.

WHEREFORE applicant prays that this application be set for hearing before the Commission's duly appointed examiner, and that after notice and hearing as provided by law, the Commission enter its order approving commingling as prayed for.

Respectfully submitted,

PHILLIPS PETROLEUM COMPANY

By W. V. Kellahin

Kellahin & Fox

P. O. Box 1769

Santa Fe, New Mexico 87501

Attorneys for Applicant

dr/

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 6029

Order No. R- 5541

APPLICATION OF PHILLIPS PETROLEUM COMPANY
FOR DOWNHOLE COMMINGLING, LEA
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on September 14,
19 77, at Santa Fe, New Mexico, before Examiner Richard L. Stamets

NOW, on this day of September, 1977, the Commission,
a quorum being present, having considered the testimony, the record,
and the recommendations of the Examiner, and being fully advised
in the premises,

FINDS:

(1) That due public notice having been given as required by
law, the Commission has jurisdiction of this cause and the subject
matter thereof.

(2) That the applicant, Phillips Petroleum Company, is the
owner and operator of the Sims Well No. 6, located
in Unit M of Section 24, Township 22 South, Range
37 East, NMPM, Lea County, New Mexico.

(3) That the applicant seeks authority to commingle Tubb,
Drinkard, East Brunson-McKee and East Brunson-Ellenburger production
within the wellbore of the above-described well.

(4) That from the ~~each of said zones~~ zone, the
subject well is capable of low marginal production only.

~~(5) That from the Drinkard zone, the
subject well is capable of low marginal production only.~~

(5) That the proposed commingling may result in the recovery
of additional hydrocarbons from each of the subject pools, thereby
preventing waste, and will not violate correlative rights.

~~(6) That from the East Brunson-McKee zone, the subject well is capable
of low marginal production only.~~

~~(7) That from the East Brunson-Ellenburger zone, the subject well is
capable of low marginal production only.~~

(6) That by Order No. R-5178, dated March 10, 1976, the Commis-
sion authorized the commingling of Drinkard, Ellenburger, and McKee
production in the wellbore of the subject well, and that said order
should be superseded.

(7) ~~(7)~~ That the reservoir characteristics of each of the subject zones are such that underground waste would not be caused by the proposed commingling provided that the well is not shut-in for an extended period.

(8) ~~(7)~~ That to afford the Commission the opportunity to assess the potential for waste and to expeditiously order appropriate remedial action, the operator should notify the ~~Lea~~ Hobbs district office of the Commission any time the subject well is shut-in for 7 consecutive days.

(9) ~~(8)~~ That in order to allocate the commingled production to each of the commingled zones in the subject well, 30 percent and 40 percent of the commingled Oil and gas production, ^{respectively,} should be allocated to the Tubb zone, 30 percent and 50 percent of the commingled Oil and gas production, ^{respectively,} to the Drinkard zone, 20 percent and 5 percent of the commingled Oil and gas production, ^{respectively,} to the East Brunson-McKee zone, and 20 percent and 5 percent of the commingled Oil and gas production, ^{respectively,} to the East Brunson-Ellenburger zone.

IT IS THEREFORE ORDERED:

(1) That the applicant, Phillips Petroleum Company, is hereby authorized to commingle Tubb, Drinkard, East Brunson-McKee and East Brunson-Ellenburger production within the wellbore of the Sims Well No. 6, located in Unit M of Section 24, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico.

(2) That 30 percent and 40 percent of the commingled Oil and gas production, ^{respectively,} shall be allocated to the Tubb zone, 30 percent and 50 percent of the commingled Oil and gas production, ^{respectively,} shall be allocated to the Drinkard zone, 20 percent and 5 percent of the commingled Oil and gas production, ^{respectively,} to the East Brunson-McKee zone, and 20 percent and 5 percent of the commingled Oil and gas production, ^{respectively,} shall be allocated to the East Brunson-Ellenburger zone.

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(3) That the operator of the subject well shall immediately notify the Commission's Hobbs ~~district~~ district office any time the well has been shut-in for 7 consecutive days and shall concurrently present, to the Commission, a plan for remedial action.

(5) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year herein-
above designated.

Commission
(4) That Order No. R-5178, dated March 10,
1976, is hereby superseded.

