

PHILLIPS PETROLEUM COMPANY

ODESSA, TEXAS 79762 4001 PENBROOK

EXPLORATION AND PRODUCTION GROUP **January 9, 1991** 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. 3 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. 3 1980' FNL and 1980' FWL, Section 24, T-22-S, R-37-E Lea County, New Mexico

Pools to be comingled: Blinebry Oil and Gas South Brunson Drinkard Abo Tubb Oil and Gas

- (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 9 MCFPD. The Tubb zone is producing 100 MCFPD.
- (e) Allocation of commingled production based on present production: Production decline curves for both the Tubb and the Drinkard zones are attached. Allocated gas production will be based on the current gas production from both the Tubb 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 Tubb zone.

(e) Continued

Well completion history (wellbore sketch attached):

The well was drilled and originally completed in April, 1948, in the Drinkard formation from 6370' - 6390'. It had an initial flowing potential of 63 BOPD. This interval was acidized several times with 15% HCl.

In September, 1952, the Drinkard formation was temporarily abandoned and the well was recompleted in the Tubb from 6020' -6150'. The well was fracture treated and tested. It had an initial flowing potential of 1200 MCF/D.

In March, 1976, the well was deepened to 6995' and reperforated selectively in the Tubb from 5873' - 5961' and in the Drinkard from 6444' - 6894'. The well was acidized and dual completed.

Prediction of future reserves:

The proposed commingling completion will allow the gas from the Tubb and Drinkard zones to be produced such that maximum production will result.

Initial gas production from the Blinebry is estimated at 128 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: Tubb Oil and Gas (0) BOPD) x (\$20.00/BBL) = \$ 0/day + (100 MCFPD) x (\$1.00/MCF) = \$100/day= \$ 100/day TOTAL TUBB Blinebry Oil and Gas (0) BOPD) x ((20.00/BBL) =0/day + (0 <u>MCFPD) x (\$ 1.00/MCF) = \$</u> 0/day TOTAL BLINEBRY = \$ 0/day

South Brunson Drinkard Abo

 $(1 \text{ BOPD}) \times (\$20.00/\text{BBL}) = \$ 20/\text{day}$ + $(9 \text{ MCFPD}) \times (\$1.00/\text{MCF}) = \$ 9/\text{day}$ TOTAL DRINKARD = \$ 29/\text{day}

TOTAL INDIVIDUAL STREAMS = \$ 129/day

(h). Continued

Commingled Streams:

 $(1 \text{ BOPD}) \times (\$20.00/\text{BBL}) = \$20/\text{day}$ + $(237 \text{ MCFPD}) \times (\$1.00/\text{MCF}) = \$237/\text{day}$ TOTAL COMMINGLED STREAMS = \$257/\text{day}

(i) Formula for allocation of production: <u>Drinkard:</u> 100% condensate and gas will be based on stabilized test percentage prior to commingling of the total gas stream.

> Monthly Oil (Drinkard) = (Total BOPM) x (Drinkard test)/ (Commingled test)

> Monthly Gas (Drinkard) = (Total MCFPM) x (Drinkard test)/ (Commingled test)

<u>Blinebry:</u> 100% condensate and gas production will be based on stabilized test percentage prior to commingling of the total gas stream.

Monthly Oil (Blinebry) = (Total BOPM) - (Monthly Drinkard)

- Monthly Gas (Blinebry) = (Total MCFPM) x (Blinebry test) / (Commingled test)
- <u>Tubb:</u> 100% condensate and gas production will be based on stabilized test percentage prior to commingling of the total gas stream.

Monthly Oil (Tubb) = (Total BOPM) $\times 0$

Monthly Gas (Tubb) = (Total MCFPM) x (Tubb 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.

The parties of interest indicated on the attached list were notified by copy of this application sent February 1, 1991.

The Drinkard produces gas and condensate, and the Tubb produces gas. These two zones are currently uneconomical to operate. Commingling all three zones will permit the Drinkard and the Tubb 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.

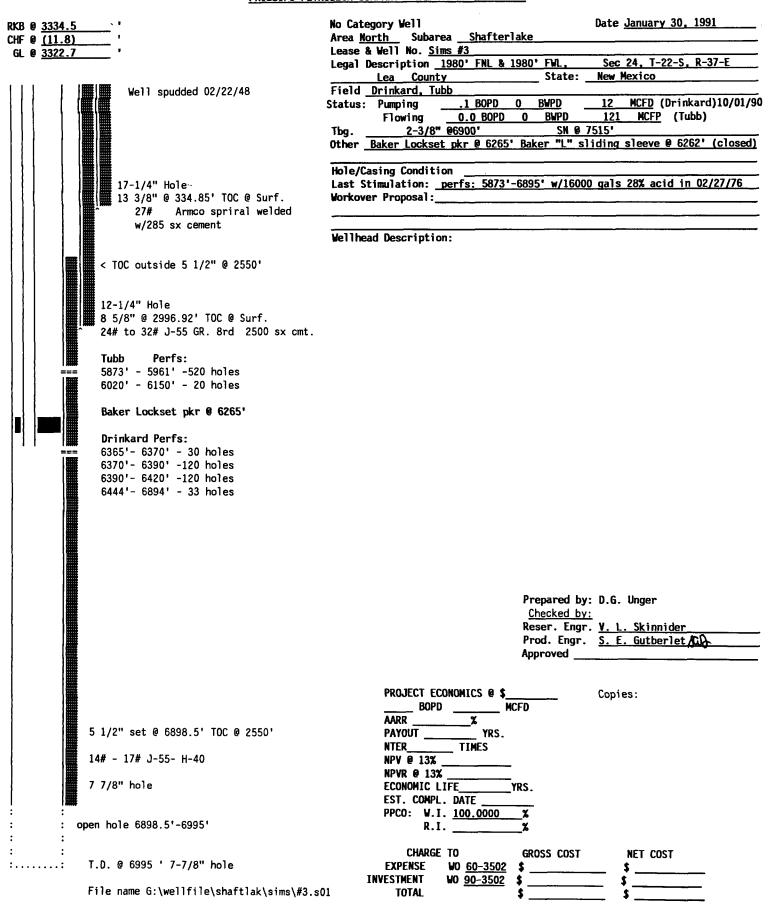
Thank you,

larry M. Sandins 164 Jum

Larry M. Sanders, Supervisor Regulation and Proration

Attachments

NMOCD, Hobbs Office cc: Offset Operators



WELL SERVICE APPROVAL - NON AFE PHILLIPS PETROLEUM COMPANY--PERMIAN BASIN REGION

	مدهدتهم 11 ه	CATION AND A			AT	Ellective 1-1-65
Operator ,		Leas		of the Section	<u> </u>	Well No.
Phillips Petrol	eum Company		Sins			3
Unit Letter Section		I	Range -	County		<u></u>
F	24	22-3	37 - E	Lea		
Actual Footage Location of						
1980 feet	from the north	line and	1980 +	eet from the	west	line
Ground Level Elev.	Producing Formation	Peol				ated Acreage;
2.7'Gr.,3334.5'Rk	B Tubb-Gas		Tubb-Gas		*16	C Actr
	eage dedicated to the	subject well h	v colored pencil	or hachure	marks on the nla	t helow
	e iease of different ov nitization, unitization	-		l, have the	interests of all c	owners been consol
Land and Land		'yes," type of co				
If answer is "no this form if nece	o," list the owners an essary.)	d tract descripti	ions which have	actually be	en consolidated.	(Use reverse side
	ll be assigned to the v r otherwise) cr until a					
D D		- 380 1	B	A	CER	TIFICATION
2310!	₩7_^	ا 330 و	1		I hereby certify	that the information co.
Į	1. n y		1		tained begein is	true and complete to th
ξ.	37.		:	1	best of my know	ledge and belief?
3	1 87	r F	Ì		KA Inni	
	1 1980				1 to	ttlp
k	⊢ — — · ↓ _/ — — · ↓	, ¢	j	7		
E E	F		G	-H	W. J. Nucl Position	Ler
ł		* *	1			
. _ 1980 _	#3		1		Engineering	g Advisor
			i		Company Dhilling Da	
2			ł		Dute	etroleum Compa
ş			1	1		
	1			1		000
		۶ ۲	j.		April 20,	1977
**** *** *** * * * * * *	 	· · · · · · · · · · · · · · · · · · ·	J		Apr11 20	1977
<i></i>	 		J	I		
L	K		J	I	I heraby certify	that the well location
<i></i>	K K Well No	3 shares rr			I hereby certify shown on this pl	that the well location at was plotted from fie
<i>**** * * * * * * * * * * * * * * * *</i> L		3 shares pr			I hereby certify shown on this pl notes of actual	that the well location at was plotted from fie surveys made by me
£	K *Well No. Well No.				I heraby certify shown on this pl notes of actual under my superv	that the well location at was plotted from fie surveys made by me ision, and that the sam
<i>**** * * * * * * * * * * * * * * * * *</i>					I hereby certify shown on this pl notes of octual under my superv is true and cor	that the well location at was plotted from fie surveys made by me ision, and that the sam rect to the best of m
L	Well No.			, with	I heraby certify shown on this pl notes of actual under my superv	that the well location at was plotted from fie surveys made by me ision, and that the sam rect to the best of m
L					I hereby certify shown on this pl notes of octual under my superv is true and cor knowledge and b	that the well location at was plotted from fiel surveys made by me of ision, and that the sam rect to the best of m
	Well No.			, with	I hernby certify shown on this pl notes of actual under my superv is true and cor knowledge and b Date Surveyed	that the well location at was plotted from fiel surveys made by me of ision, and that the sam rect to the best of m elief.
	Well No.			, with	I hereby certify shown on this pl notes of octual under my superv is true and cor knowledge and b	that the well location at was plotted from fie surveys made by me ision, and that the sam rect to the best of m elief.

1704.502

E-Marchael

EDICAT

96 1320 1650 1980 2310 2640

			John W. West
		TT-1	Certificate No.
1000	500	0	6 76

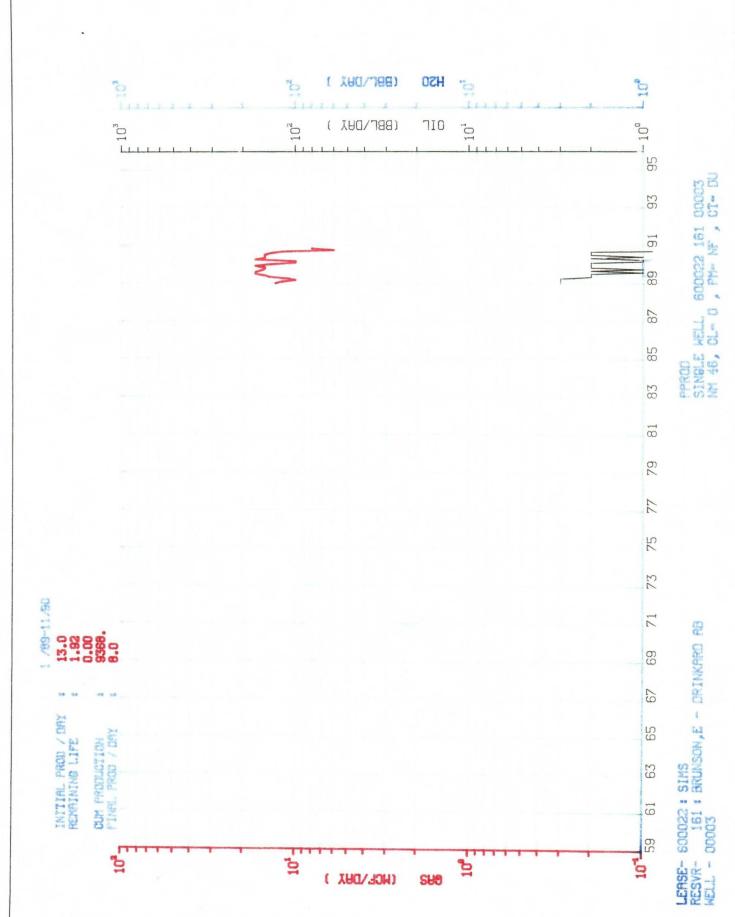
	A Gendelman -98	a fi	TR 5.5.00 ARCO 1 CLEHT FOLGON ARCO 1 D. I. DI Serio 1 HBCO 1 NOTE 1 Serio 1 Serio 1 HBCO 1 NOTE 1 Serio 1 Serio 1 HBCO 1 NOTE 1 Serio	Adapt B. Hugh adapt fragment a	Curry Resources Orman Part	Sourcedon S. Constitution	An or Somedra A A A A A A A A A A A A A A A A A A A	IR Construction IR Construction Ir Ir / Accilic Fr.18 Pace University
	A.R.Co. Ind Park	1010101		Lunar Oll HEP (HOS -	Skelly, We Poul f Ruledge, Figt C Sharp; R.D. Sins etcl., Richardsonalital R.D. Sins etcl., Geowsman, 10	(OPER) Getty Stime	T-17 GETTY	
	Langer and an	J.R. Pickett A.R.Ca. 10. 1. 63 HBP	SMGynberg	\sim	Alligher (J.N. Morrid Allysine (J.N. Morrid Allysine (J.N. Morrid Allysine (J.N. Morrid Allysine (J.N. Morrid	43 ° Getty 22 Getty	Getty and Getty as (Skelly)	At Donis (n.B. add Surface
	Layon to the second		Constant in the intervention of the second s		A a Search and antheir HOP	SE AcaUNITS' (Sourced)	A A A A A A A A A A A A A A A A A A A	JE 12 Ban, F. Harrison
े खु		A.R.Ca CG Campbell	LinionTer Wung / Attant	Sorah B. Hughas J. Ron (Samedan aper J. H.Ro. H.B.P. 04887	Millord Deck Barrie Bar	J.	Jz Somedan so zz	
	<u> </u>	the second second	Campbell E, Hadrick 7.125466781	05144 Urv 1320 Urv 1327 Urv 13		22 23 23 24 15 1992	Tr. 9 Atro Francisco P	Guis Which is in the second se
	Potro Junz 1	1444 UnionTex HBP 0 1076	Amo	Hall & Line to the former in a second s	Care St. Line of the state of t	Getty Setty 14	Morono Berty	Marata Marata Marata
	U.S., MI TEXAL			Artegold Anthe Infer C 640 - 544 1979. (3) - 544	Fin Blonche E. Boyd, Ml. My Oco. W.Sinz, etc. 10	ei n ^{'SIMS} 't Numble-State Con R D. Sims,etal , C R D. Sims,etal , C	willer Sinkers R. D. Sime, etcl	Store 1.1. Je Skring 1. Jes
				Arter Brown And So Roy Ingra	The state of the s	Anedorke seso II Tr. 37 to tee	Getty : Getty)	B-2480 *** Bries
	NCT-I			To the second se	A MARTINA RASIMA IN STAR	51/ Tr. 21 452 T. 30	TE32 A GUEL A GUEL	Tr. Jones Cont
	Due ante	S * Gulf	ě	Current (Corts) Corts Cort (Corts)		Anodorio TVA Aroderio Two	Anodorka Anodorka	
î	Carlor and	Gulf me (Opel) 1 nebecu elo/	A Drinkord and	<u>a</u>	. May coll ? (and the set of the	Horar III A TREOT	TWYChristmas Hitzy	5 11 11 11 11 11 11 11 11 11 11 11 11 11
	E T	Gulf Gulf	an one survey	••••••••••••••••••••••••••••••••••••••	Trill Anadorka UPanty Industry	sin Tr.22 y to Star Anderson	17.20	100 - 100 - 100 - 100 - 100 - 100 - 100 - 100 - 100 - 100 - 100 - 100 - 100 - 100 - 100 - 100 - 100 - 100 - 100
	• : • : • :	Dinebry (U.3.)		Alight Sun 25 (lla Drinkard	Gettig Ruhar 13.22.72	ANADARKO (OPER)	28	ALL OIN ALL TOTAL
		•	(hp) (hp)		4 Getty - Barris - 4 Skill - 3A Barris Kaisch Francis Barris - 5 - 5 - 5 - 5 - 5 - 5 - 5 - 5 - 5 -	LANGLE MATTIX	Anoderka to America Inc.	
		Hinchry He Hci 11 He 20,5 9,000 (198) Allen M. D.: Inhbara	Mos Gulmon Lange U.S.		Trit Russing Stranger	and the second s	Stole Worker Stills 77 40	
		Duel Duel 037104 T/A	ü	A Constant of the second se	Andrada	MIL Cory Till A // Satis	- •	Adda 1 B. Stero Tema Bourte
				A Constant of the second se	Comment & State And Shari	T. 2 VIII (0) Augustantis	AC GO MACK	Conoro etal Tariante bolan 2005 Visa 2 ossis inter 2005 Visa 2 ossis
<u></u>		N. 037	0001 000 000 000 000 000 000 000 000 00	The second se	An co the sector Sun	The second se	TT.B Tr.C. Nugering	
N		and Lee Sing Miller, Mi Alt Lee Sing of Als Altinger "Wile" US, MI	2 -1	Constant Port of Partice	Tr. I and Principal and District Prod. J.O. Parkat Short and Auby Bourd (S)	E W. Would D. B. R. LOUIS	He A Contact A C	Statie Partay Christmas
<u> </u>	Cities Service	-1717	wenthen (wo) formue	The second s	A Colorin Frod			
~	 	Sumphine Roy: 1 18 95	Amer.Petrofing Amer.Petrofing Marchenergen				The Connect Depres Gulf Fills	
	L.Y.Sime etal	Mendourne Oil (Exton Serv	Belcher Duel T.M. Senatri	Sohio Hendra di Enann			The Signature Being (S)	Contraction of the second seco
		-'-' 	Mobee Pet. 1 (5:13) . Bugi Son Milsongerer . Bugi Son Milsongerer	Annual Street Contraction			SO PENROSE SKEL	
, *	C.B.Snow	Zacharu Simsendis		touting of building	I State and a state of the stat	100000 (1000 BLAN 1996, 101		

BLK. A-40

s22 52 BLK. A-3

10% HSO L 10° 10. (190/198) 101 F 10³ (286/188) ٦IO 100 10^{2} -101 95 PPROD SINGLE WELL 800022 252 00003 NM 46, CL- NC, PM- NF , CT- DU 93 191 2 89 83 85 87 81 64 27 in the time 13 3 /59-11/80 71 249.0 31.75 0.00 2540. 69 65 1 64 -CUM PRODUCTN-MUNITS FINAL PROD / DAY INITIAL PROD / DAY REMAINING LIFE ----129 LEASE- 600022 : SIMS RESVR- 252 : TUBB WELL - 00003 -10° -1911 181 ¹ ¹ 10, 101 (XUO/JOW) SUO

*7AW 01/03/91 11:05

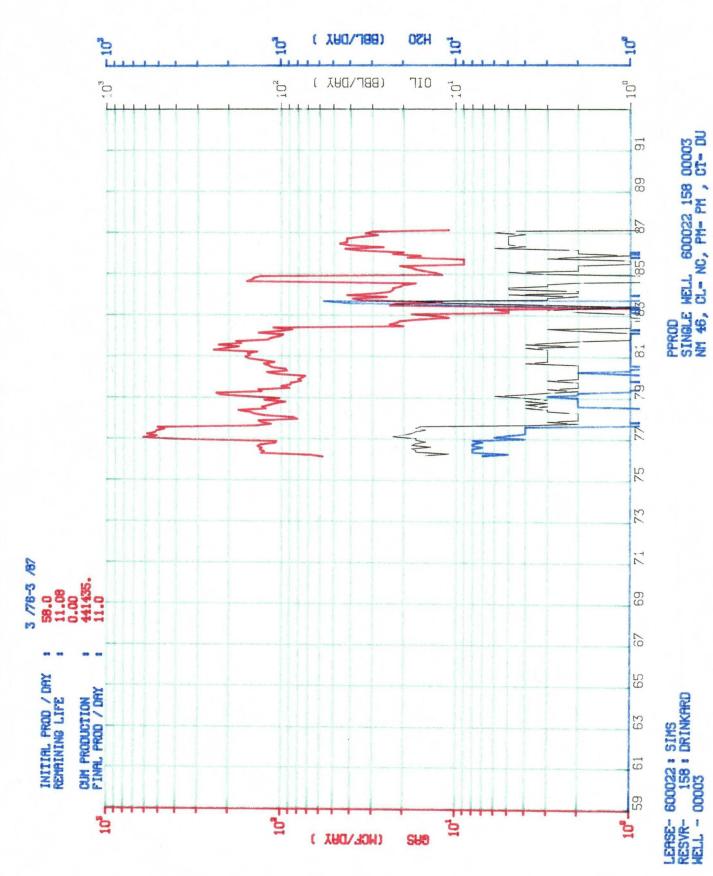


••

.

*79W 01/03/91 11:06

#78W 01/03/91 11:04



#7AW 01/03/91 11:06 "0 111 HSO (1997,198) L 10° -103 101 (YACF/DAY) -10 LIG 10 SUO - 10 PPROD SINGLE WELL 600022 160 00003 NM 46, CL- 0 , PM- NF , CT- DU 93 91 8711 89 85 83 81 79 77 75 73 1 /87-3 /89 71 6.0 2.25 0.00 1247. 3.0 69 LEASE- 600022 : SIMS RESVR- 160 : DRINKARD - DRINKARD WELL - 00003 67 INITIAL PROD / DAY REMAINING LIFE 65 PINAL PRODUCTION 63 61 10⁻¹-1 59 1027 101+ TT 10°-710 (190/188)

..

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

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 THE STATE OF THE S

STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION HOBBS DISTRICT OFFICE February 18, 1991

GARREY CARRUTHERS

POST OFFICE BOX 1980 HOBBS, NEW MEXICO 88241-1980 (505) 393-6161

OIL CO	DNSEF	RVATI	ON DIV	ISION
P. O.	BOX	2088	3	
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> Operator	Sims #3-F Lease & Well No. Uni	24-22-37 t S-T-R	
•		U 3-1-K	
and my recommendations are	as follows:		
<u> </u>			
	1		
Yours very truly	<u> </u>		
fru show			
Jerry Sexton			
Supervisor, District 1			

/ed