



PHILLIPS PETROLEUM COMPANY

ODESSA, TEXAS 79762
4001 PENBROOK

EXPLORATION AND PRODUCTION GROUP
Permian Basin Region

February 17, 1989

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
Santa Fe, New Mexico 87504-2088

Attn: William J. LeMay
Director

Gentlemen:

Phillips Petroleum Company respectfully requests administrative approval to downhole commingle gas production in our Lusk Deep Unit A, Well No. 5 as provided for in Statewide Rule 303-C3. Pertinent well information and data are included herein:

(a) Name and address of operator:
Phillips Petroleum Company
4001 Penbrook Street
Odessa, Texas 79762

(b) Lusk Deep Unit A Lease, Well No. 5
1980 feet FSL and 1980 feet FEL, Section 19, T-19-S, R-32-E
Lea County, New Mexico

640 ac. — Pools to be commingled:
370 ac — Lusk Morrow (Gas)
Lusk Atoka (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 Morrow zone currently produces less than 200 MCF/Month and 10 BO/Month. Due to the amount of liquid the Morrow produces, this zone was swabbed to determine true productivity. Based on swab results, the estimated zone productivity is 200 MCFPD and 1 BOPD. The Atoka zone potential is estimated at 600 MCFPD or 18,000 MCF/Month and no condensate.

(e) Allocation of commingled production based on present production: Production decline curve for the Morrow zone is attached. Allocated gas production will be based upon the current Morrow gas productivity and all condensate production will be allocated to this zone. The Atoka zone will not be allocated any condensate and allocated gas production will be based on the combined zones' stabilized gas flowrate, i.e., total minus Morrow equals Atoka.