



## PHILLIPS PETROLEUM COMPANY

ODESSA, TEXAS 79762  
4001 PENBROOK

EXPLORATION AND PRODUCTION GROUP  
Permian Basin Region

July 30, 1992

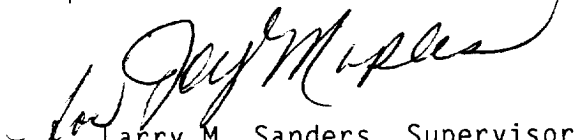
State 22 Well No. 1  
Sec. 22, T-17-S, R-35-E  
Lea County, New Mexico  
Commingle Atoka and Morrow Reservoirs  
South Shoebar Field

New Mexico Department of Energy & Minerals  
Oil Conservation Division  
Attention: Jerry Sexton  
P. O. Box 1980  
Hobbs, NM 88240

Dear Mr. Sexton:

Per our conversation with Ms. Evelyn Downs of your office on July 30, 1992, Phillips Petroleum Company is submitting this letter in lieu of an application to downhole commingle the Atoka and Morrow reservoirs in the subject well. Phillips is pursuing this option because the subject well is a marginal producer with limited remaining reserves. The cost to obtain the pressure and production data necessary to complete the application is greater than the value of the remaining reserves. Any additional financial burden against the well will result in Phillips having to plug and abandon the well.

Attached is as much information as we could obtain including a plat, wellbore sketch, production history and completion/workover history. Note that when the Morrow formation was perforated on October 10, 1991, no pressure or production response was noted. It is our sincere belief that the Morrow formation is not contributing to the well's production. All production, past and future, should be allocated to the Atoka formation. If you have any further questions, please contact Keith Maberry of this office at (915) 368-1232.

  
Larry M. Sanders, Supervisor  
Regulation and Proration

LMS:KM:sdb  
REGPRO:JMAPL:state22

Attachment

cc: RRC - Central Files