

PHILLIPS PETROLEUM COMPANY

P. O. Box 2105
Hobbs, New Mexico

MAIN OFFICE OCC

1960 MAY 27 AM 8:29

May 26, 1960

In re: Request for Administrative Approval for Exception to Rule 309a as it Pertains to Phillips Petroleum Company Yates "A" and Merchant "A" Leases, San Simon Yates Pool, Lea County, New Mexico

New Mexico Oil Conservation Commission
State of New Mexico
P. O. Box 871
Santa Fe, New Mexico

Attn: Mr. A. L. Porter, Jr., Secretary - Director

Gentlemen:

Phillips Petroleum Company herewith makes application for an exception to Rule 309a of the Rules and Regulations of the New Mexico Oil Conservation Commission and requests administrative approval to commingle the production of oil from two separate and contiguous oil and gas leases.

The following is a description of the subject leases:

Yates "A" Lease, W/2, SE/4, and SW/4, Section 29, T-21-S, R-35-E, Lea County, New Mexico.

Merchant "A" Lease, W/2, NE/4, Section 32, T-21-S, R-35-E, Lea County, New Mexico.

Attached is a plat of the above leases showing all offset operators.

In support of this application, Phillips Petroleum Company states the following:

1. Applicant is owner and operator of subject leases.
2. The subject leases are dedicated to a common beneficiary, the State of New Mexico, Common Schools.
3. All wells will be producing from a common source of supply.

See June 16 55
CTB
(waiting period)

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4. Adequate facilities will be provided for individual well testing.
5. All offset operators have been notified of this request.
6. A letter from the State Land Commissioner granting permission to commingle production from the subject leases is attached.

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

Yours very truly,



W. C. Rodgers
District Superintendent
Production Department

FAK:wma
Attach. 2
cc: New Mexico Oil Conservation Commission
Box 2045
Hobbs, New Mexico
Attach. 2

COPY

STATE OF NEW MEXICO

COMMISSIONER OF PUBLIC LANDS

Murray E. Morgan
Commissioner

P. O. Box 791
Santa Fe, New Mexico

May 23, 1960

Refer Reply to:
Oil & Gas Royalty Division

Phillips Petroleum Company
P. O. Box 2105
Hobbs, New Mexico

Gentlemen:

Permission is hereby granted to you to centralize production from State
Yates "A" consisting of the W/2, SE/4, and SW/4, Section 29, T-21-S,
R-35-E, a part of State Lease E-1921, Lea County, State of New Mexico
and State Merchant "A" consisting of the W/2, NE/4, Section 32, T-21-S, R-
35-E, a part of State Lease E-1924, Lea County, State of New Mexico.

All of this acreage is committed to one beneficiary institution, that
being Common School.

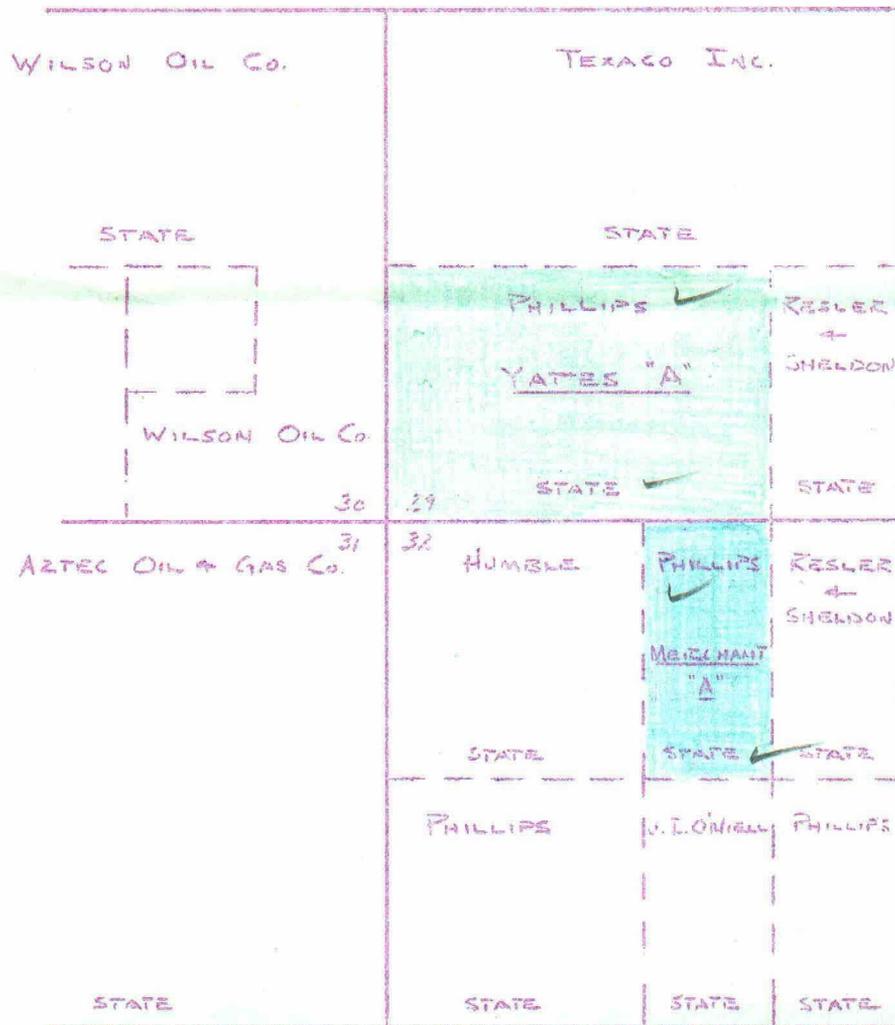
Sincerely yours,

MURRAY E. MORGAN,
Commissioner of Public Lands

BY: /s/ Ted Bilberry, Supervisor
Oil & Gas Royalty Division

MEM:TB:ML

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PHILLIPS PETROLEUM CO.
YATES 'A' AND MERCHANT 'A' LEASES
LEA COUNTY, NEW MEXICO