



**PHILLIPS PETROLEUM COMPANY**

ODESSA, TEXAS 79762  
4001 PENBROOK

EXPLORATION AND PRODUCTION GROUP  
Permian Basin Region

December 16, 1994

Re: Surface Commingling  
Hobbs Well Numbers  
1, 2, 3, & 4  
Lea County, New Mexico

State of New Mexico  
Energy and Minerals Natural Resources Dept.  
Oil Conservation Division  
2040 S. Pacheco  
Santa Fe, New Mexico 87504

Gentlemen:

Phillips Petroleum Company requests your approval to Surface Commingle the oil production from the Hobbs Lease. Well numbers 1, 2, 3, and 4b are in the Eunice Monument GB/SA Pool and well number 4a is in the Eumont Gas Pool.

Phillips has 50 percent ownership. Working interest owners will be notified by copy of this application. Oil production for these wells will be allocated by well tests. EOTT Oil Pipeline Company is the oil gatherer.

Please advise me at (915)368-1488 if you have any questions.

Sincerely,

L. M. Sanders, Supervisor  
Regulatory Affairs

Attachments

cc: Bureau of Land Management

Hobbs Lease

Working Interest Owners

Amerada Hess Corporation  
Entex Bldg., 1200 Milam St  
Houston, Texas 77002

J. H. Hendrix Corporation  
223 W. Wall, Ste. 525  
Midland, Texas 79701

Meridian Oil, Inc.  
Box 51810  
Midland, Texas 79710

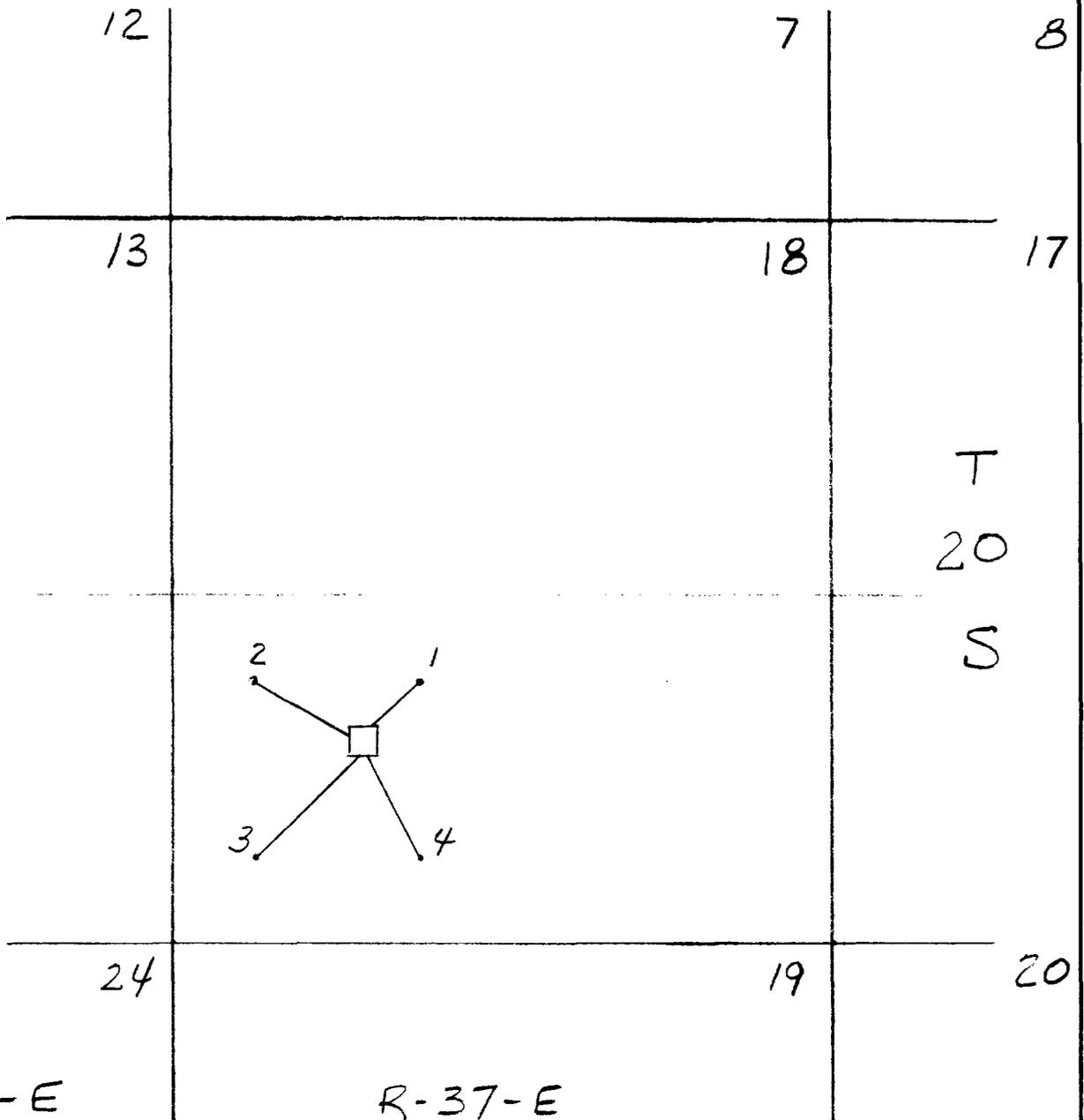
Phillips Petroleum Company  
4001 Penbrook St.  
Odessa, Texas 79762

HOBBS LEASE - SURFACE COMMINGLE APPLICATION

<u>WELL</u>	<u>FORMATION</u>	<u>PRODUCTION (BOPD)</u>	<u>GRAVITY API (@ 60 f)</u>	<u>PRICE (\$/BBL)</u>	<u>VALUE (\$/Day)</u>
HOBBS #1	GB-SA	13	38.0	15.30	\$198.90
HOBBS #2	GB-SA	3	38.0	15.30	\$ 45.90
HOBBS #3	GB-SA	24	38.0	15.30	\$367.20
HOBBS #4a	QUEEN	4	45.0	15.30	\$ 61.20
HOBBS #4b	GB-SA	20	38.0	15.30	\$306.00
COMMINGLE	GB-SA/QUEEN	64	38.4	15.30	\$979.20

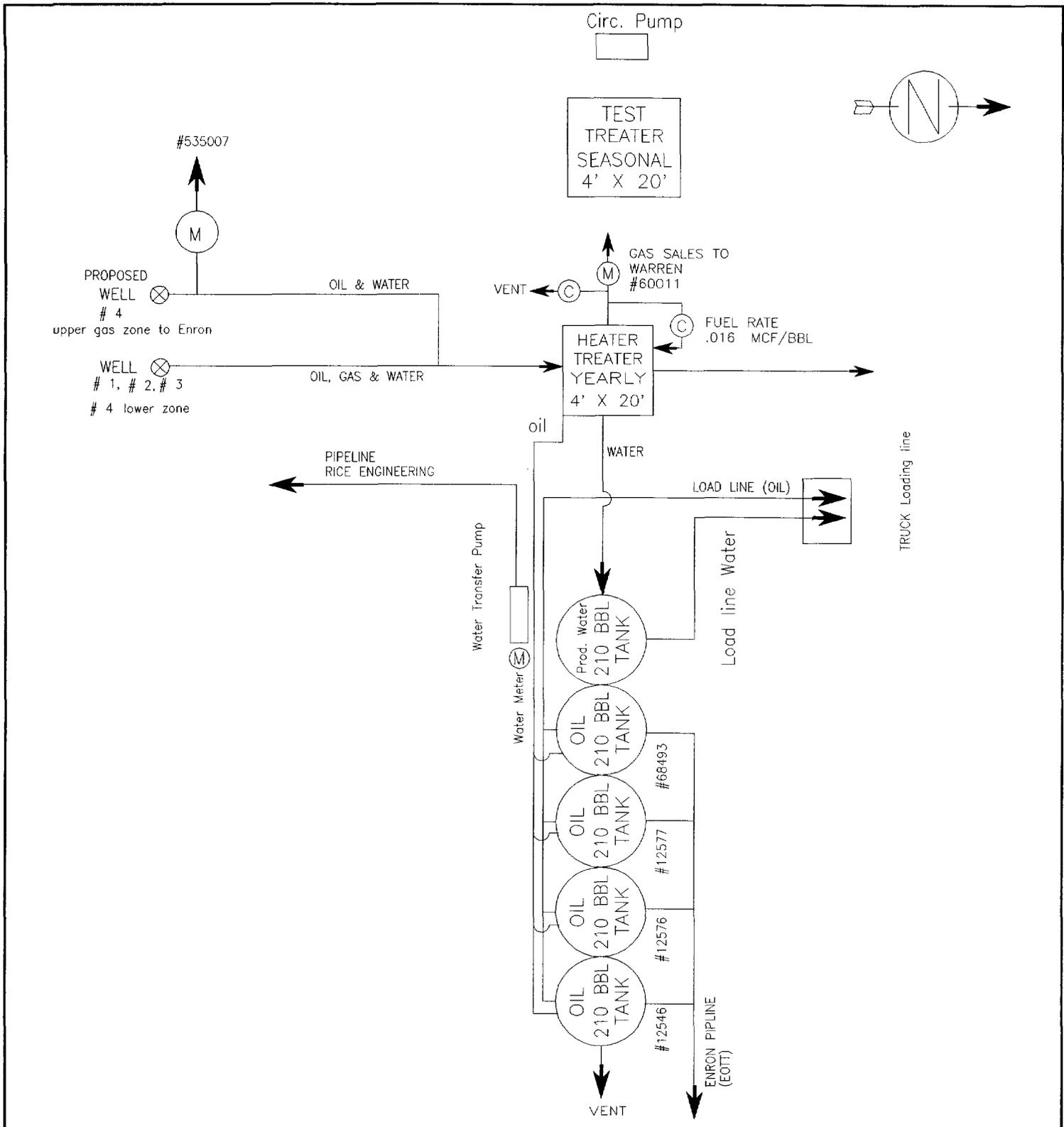
NOTE: It is anticipated that Phillips Petroleum Company will be paid the same price for the Grayburg/San Andres oil and Queen oil. No value will be lost when the oil is surface commingled.

Gas stream from the Hobbs #4a (upper gas zone) will continue to be metered and sold separately.



HOBBS #1 - 1980 FSL    1980 FWL    SEC 18, T-20-S    R-37-E  
 HOBBS #2 - 1980 FSL    660 FWL    "    "    "  
 HOBBS #3 - 660 FSL    660 FWL    "    "    "  
 HOBBS #4 - 660 FSL    1980 FWL    "    "    "

NO.	REVISION	BY	DATE	CHKD	APP'D
FOR BIDS	 <b>PHILLIPS PETROLEUM COMPANY</b> BARTLESVILLE, OKLAHOMA 			JA NO.	FILE CODE
FOR APPR				AFE NO.	SCALE <b>NONE</b>
FOR CONST	<b>HOBBS LEASE</b> <b>LEA COUNTY, NEW MEXICO</b>			DWG NO.	
DRAWN 12-12-94 DGH				SH NO.	
CHECKED					
APP'D					



NO.	REVISION	UPDATED BY	DATE	CHKD	APP'D
FOR BDS	 PHILLIPS PETROLEUM COMPANY BARTLESVILLE, OKLAHOMA 	JA NO.	FILE CODE		
FOR APPR		AFE NO.	SCALE	NO	
FOR CONST		FILE NAME: HOBBS			
DRAWN 7/23/93	LWS	LEASE NAME: HOBBS LEASE			
CHECKED		LEASE CODE: 600005			
APP'D		NETWORK: 503			
		DWG NO.	1.0		