



PHILLIPS PETROLEUM COMPANY

ODESSA, TEXAS 79760
PHILLIPS BUILDING, FOURTH & WASHINGTON

EXPLORATION & PRODUCTION DEPARTMENT
Odessa, Texas

October 18, 1968

7-5, Exception to Rule 303 -
Lea Lease, Lea County, New Mexico

File: W6-Ba-778-68

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

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

Gentlemen:

We respectfully request an exception to Rule No. 303 to allow us to use common storage for Vacuum (Grayburg San Andres) oil production on our Lea Lease, Battery No. 3 - Well Nos. 4, 5, 6, 11, 13, 14, 18, 20, and 21, and distillate production from Well No. 23 in an undesignated ~~Well~~ - Gas field. We propose to meter the distillate production and account for the oil production by taking commingled tank gauges and subtracting the metered distillate volume which will result in an accurate measurement of each zone's production. Test facilities to allow individual well testing will be installed. All oil wells are marginal producers.

We estimate monthly oil production to be 1000 barrels and distillate production to be 200 bbls. Oil gravity is 35.3 to 38.4 degrees API, and distillate gravity is 49.1 degrees API. Price per barrel is common, at \$3.00. The value of the commingled fluids will be equal to or greater than the values of the separate streams.

Royalty interest is common to the state of New Mexico in both zones (State Lease No. B-4118) and the Land Commissioner has approved this facility. Working interests are owned solely by Phillips.

Attached are a lease plat, sketch of facility, and copy of the Commissioner's letter approving this installation.

Very truly yours,

PHILLIPS PETROLEUM COMPANY

F. F. Lovering
F. F. Lovering, Manager
Southwestern Region

HM:bw
Attachments

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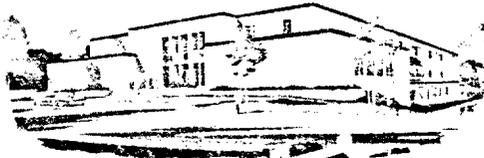
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7/11
H. M. ...
P. O. BOX 1148
SANTA FE, NEW MEXICO

Commissioner of Public Lands



October 14, 1968

GUYTON B. HAYS
COMMISSIONER

Phillips Petroleum Company
Phillips Building - Fourth & Washington
Odessa, Texas 79760

Re: 7-5 Lease Operations - Common
Storage - Lea Lease, Lea County,
New Mexico
File: W6-Ba-606-68

(LOCO NO. 25)

Attn: Mr. F. F. Lovering, Manager
Southwestern Region

Gentlemen:

Your request to commingle production from Lease No. B-4118 in Sec. 29 and 30, Twp. 17S, Rge. 34E, Lea County, is hereby approved. The approval is granted subject to approval by the Oil Conservation Commission.

Also, the Commissioner of Public Lands reserves the right to withdraw his approval, if at any time the operation does not seem profitable to the State of New Mexico.

Thank you for the \$10.00 filing fee.

Yours very truly,

GUYTON B. HAYS
Commissioner of Public Lands

By: *Ted Bilberry*
TED BILBERRY, Director
Oil and Gas Department

GBH:TB:RM:cw

cc: Oil Conservation Commission
Oil and Gas Accounting Commission

encl. Receipt No. I-41665

W. F. Lovvick
7-5-68
W. F. Lovvick

Odessa, Texas
August 19, 1968

7-5 Lease Operations - Common
Storage - Lea Lease, Lea County,
New Mexico

File: W6-Pa-606-68

Commissioner of Public Lands (2)
State of New Mexico
State Land Office Building
Santa Fe, New Mexico

ILLEGIBLE

Attention Oil and Gas Department

Gentlemen:

We respectfully request permission to use common storage for Vacuum (Grayburg-Jan Andres) field oil production and distillate production from an undesignated Wolfcamp Sand gas field on our Lea Lease (State Lease B-4113), Lea County, New Mexico.

Proposed commingled Vacuum oil production is from Wells Nos. 4, 5, 6, 11, 15, 19, 20, and 21 designated to tank battery No. 3, and distillate is produced from Well No. 23 which currently is being potentialled. Gravity of the fluids approximate 55.5° for the oil and 49.1° for the distillate. Production volumes approximate 1400 bbls oil and 310 bbls distillate per month. The value of the commingled stream will be equal to or greater than the value of the separate streams.

Royalty interest is common to the state of New Mexico in both zones, and Phillips is sole owner of the working interests. Adequate test facilities will be installed for each zone.

A lease plat reflecting the proposed common battery and the affected wells is attached.

Very truly yours,

PHILLIPS PETROLEUM COMPANY

W. F. Lovvick
W. F. Lovvick, Manager
Southwestern Region

Encl
Attach