

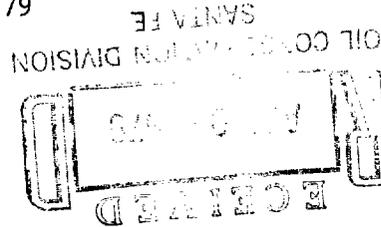


PHILLIPS PETROLEUM COMPANY

ODESSA, TEXAS 79762
4001 PENBROOK

NATURAL RESOURCES GROUP
Exploration and Production

April 5, 1979



Energy and Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Attn: Mr. Joe D. Ramey,
Director

Gentlemen:

We respectfully request administrative approval to Statewide Rule 303 to commingle casinghead gas after oil and gas separation from the Vacuum Yates and Glorieta Pools on the state leases identified herein.

Yates gas production is minimal; therefore, approval of this application would permit the Yates gas volume to exit through the existing Glorieta sales meter, eliminating the installation of a separate sales meter and increasing the economics of the continued production of marginal production properties. We propose to allocate gas to the Yates Zone based on individual well tests of Yates producers and to the Glorieta Zone by subtracting the total Yates production from the volume sold through this particular meter run. There will be no change in profit or loss due to this sales method in that casinghead gas from both zones is sold under the same contract.

The state leases involved are identified as follows:

Vacuum Yates: T-17-S, R-35-E

<u>Lease I.D. No.</u>	<u>Well No.</u>	<u>Description</u>
B-2673	97	SE 1/4, SW 1/4, Sec. 33 -
B-2519	113	NE 1/4, Sec. 34 -
B-2519	127	NE 1/4, Sec. 34 -

Vacuum Glorieta: T-17-S, R-35-E

B-1497	89	W 1/2, NW 1/4, Sec. 26 -
B-1497	90	S 1/2, SW 1/4, Sec. 27 -
B-1608	91	N 1/2, NE 1/4, Sec. 33 -
B-2862	92	NE 1/4, SW 1/4, Sec. 33 -
B-1497	94	W 1/2, NW 1/2, Sec. 26 -
B-1608	95	N 1/2, NE 1/4, Sec. 33 -
B-2517	96	SW 1/4, NW 1/4, Sec. 33 -
B-1861	103	NE 1/4, SW 1/4, Sec. 29 -

28
26 27 29 33 34

Energy and Minerals Department
April 5, 1979
Page: 2

B-2498	104	NW 1/4, Sec. 28 ✓
B-2498	105	NW 1/4, Sec. 28 ✓
B-2131	106	SE 1/4, NE 1/4, Sec. 29 ✓
B-2498	107	SW 1/4, Sec. 28--Shut Down ✓
B-2224	108	NE 1/4, NE 1/4, Sec. 28 ✓
B-1501	109	SW 1/4, NE 1/4, Sec. 29 ✓
B-1497	117	S 1/2, SW 1/4, Sec. 27 ✓

State beneficiary under all lease contracts is Common School Land.

Enclosed is a lease plat and schematic diagram of equipment (all of which is commercially available) required by Rule 303.

Your early consideration and advice is requested.

Very truly yours,



T. Harold McLemore
Area Regulation and Proration Analyst

THM:mvn
Attachments

cc: Commissioner of Public Lands
Santa Fe, New Mexico
w/attachments

Oil Conservation Division
Hobbs, New Mexico
w/attachments

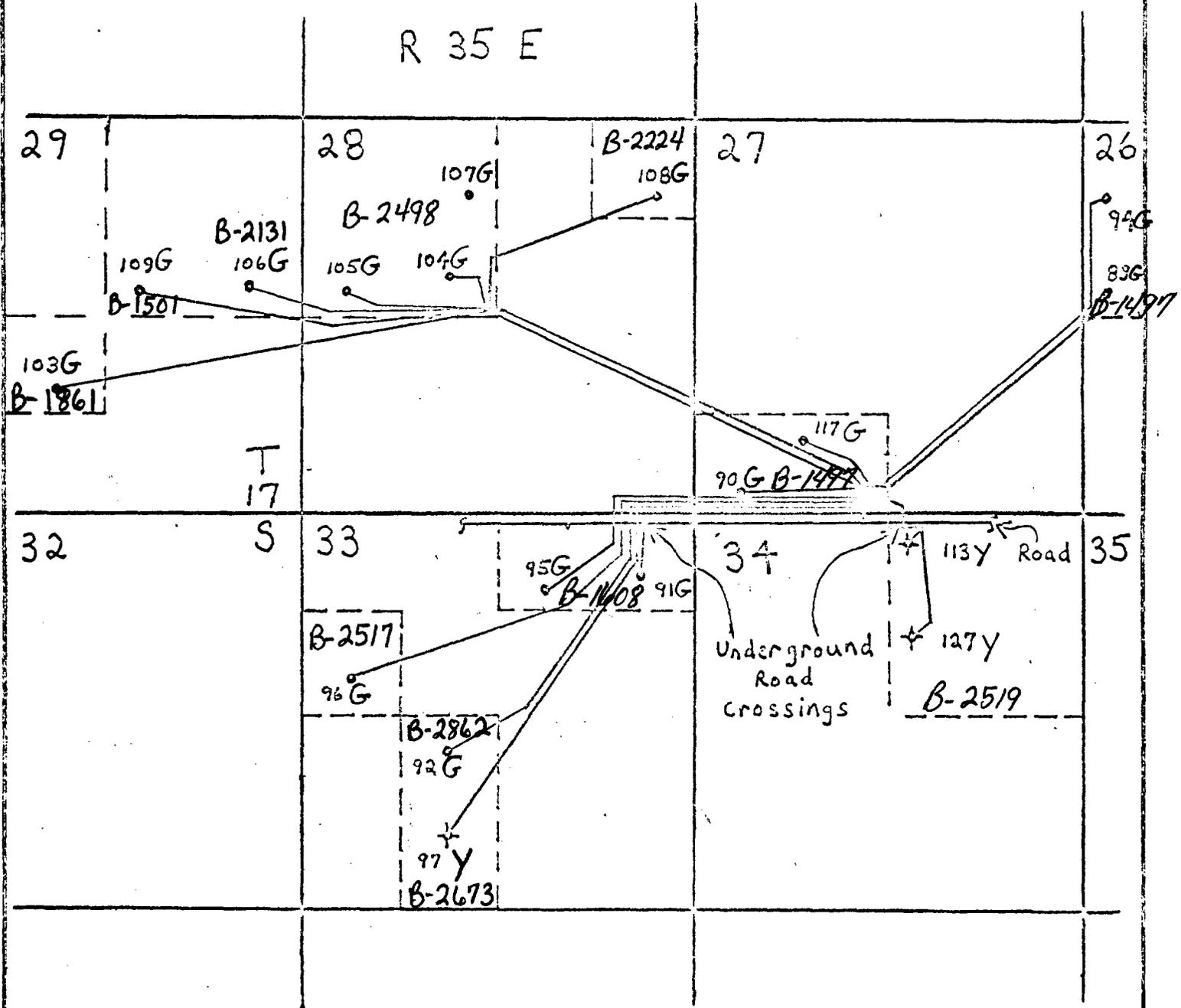
LEGEND

† Yates Wells

• Glorieta Wells

--- Santa Fe Lease Boundary

— Flow lines (all are surface pipes unless otherwise noted)



BARTLESVILLE, OKLAHOMA

PHILLIPS PETROLEUM COMPANY
 SANTA FE LEASE
 (Glorieta and Yates Production)

DRAWN LGT

2-22-77

AFE NO.

DWG. NO.

CHECKED

REVISION

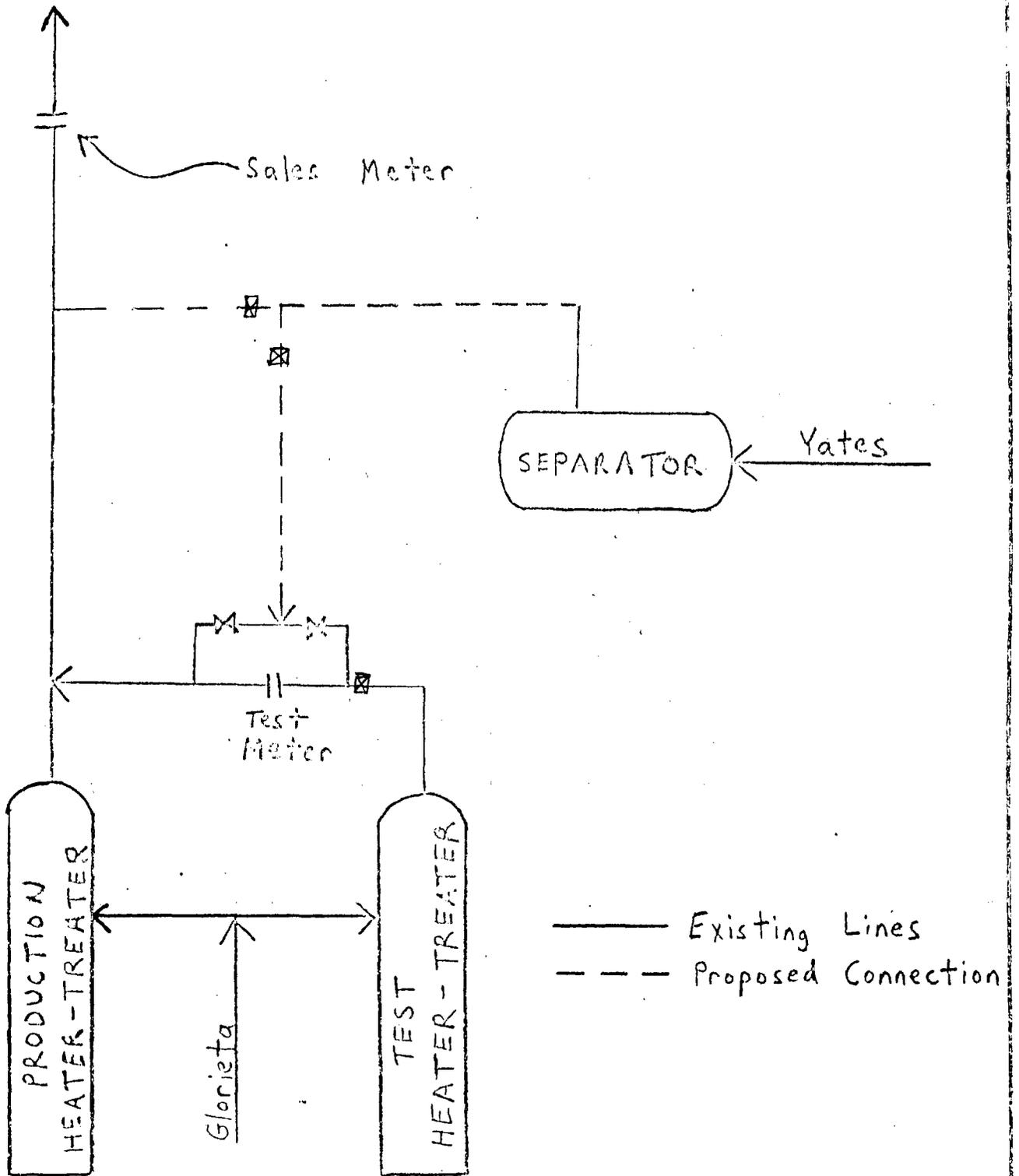
BY

DATE

APPROVED

SCALE 1" = 2000'

SHEET NO.



BARTLESVILLE, OKLAHOMA

PHILLIPS PETROLEUM COMPANY
SANTA FE BATTERY

DRAWN LGT	3-30-2	APP. NO.	DWG. NO.
CHECKED			

State of New Mexico



Commissioner of Public Lands

April 12, 1979

P. O. BOX 1148
SANTA FE, NEW MEXICO 87501



ALEX J. ARMIJO
COMMISSIONER

Phillips Petroleum Company
4001 Penbrook
Odessa, Texas 79762

ATTENTION: T. Harold McLemore

Gentlemen:

Reference is made to your application dated April 5, 1979, requesting approval to commingle casinghead gas after oil and gas separation from the Vacuum Yates and Glorieta Pools on state leases as listed in your letter.

You are hereby given approval to the above request. Any deviation from your proposed request will be reason to cancel approval.

This approval is subject to the subsequent approval of the New Mexico Oil Conservation Division.

Your Ten (\$10.00) Dollar filing fee has been received.

Very truly yours,

ALEX J. ARMIJO
COMMISSIONER OF PUBLIC LANDS

BY:
RAY D. GRAHAM, Director
Oil and Gas Division

AJA/RDG/s
encls.

cc: New Mexico Oil Conservation Division
New Mexico Oil and Gas Accounting Commission
Leases B-2073, B-2519, B-1497, B-1608, B-2862,
B-2517, B-1861, B2498, B-2131, B-2224, B-1501,