

PC - N/R



**PHILLIPS PETROLEUM COMPANY**

ODESSA, TEXAS 79762  
4001 PENBROOK

EXPLORATION AND PRODUCTION GROUP  
Permian Basin Area

November 2, 1993

REGULATORY DIVISION  
NOV 3 10

Re: Surface Commingling  
Phillips "E" State  
Battery #1  
Maljamar Gb/SA and  
Undesignated Queen Pools  
Section 9, T-17-S, R-33-E  
Lea County, New Mexico

State of New Mexico  
Energy Minerals & Natural Resources Dept.  
Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87504-2088

Gentlemen:

Phillips Petroleum Company requests your approval to surface commingle the oil and gas production from the Phillips "E" State well numbers 1, 3, 4, 6, 7 and 11 in the Maljamar Gb/SA Pool and well number 34 in the Undesignated Queen Pool.

Attached is the following required information:

1. Lease plat
2. Tank battery schematic
3. Gravity and value of commingled production

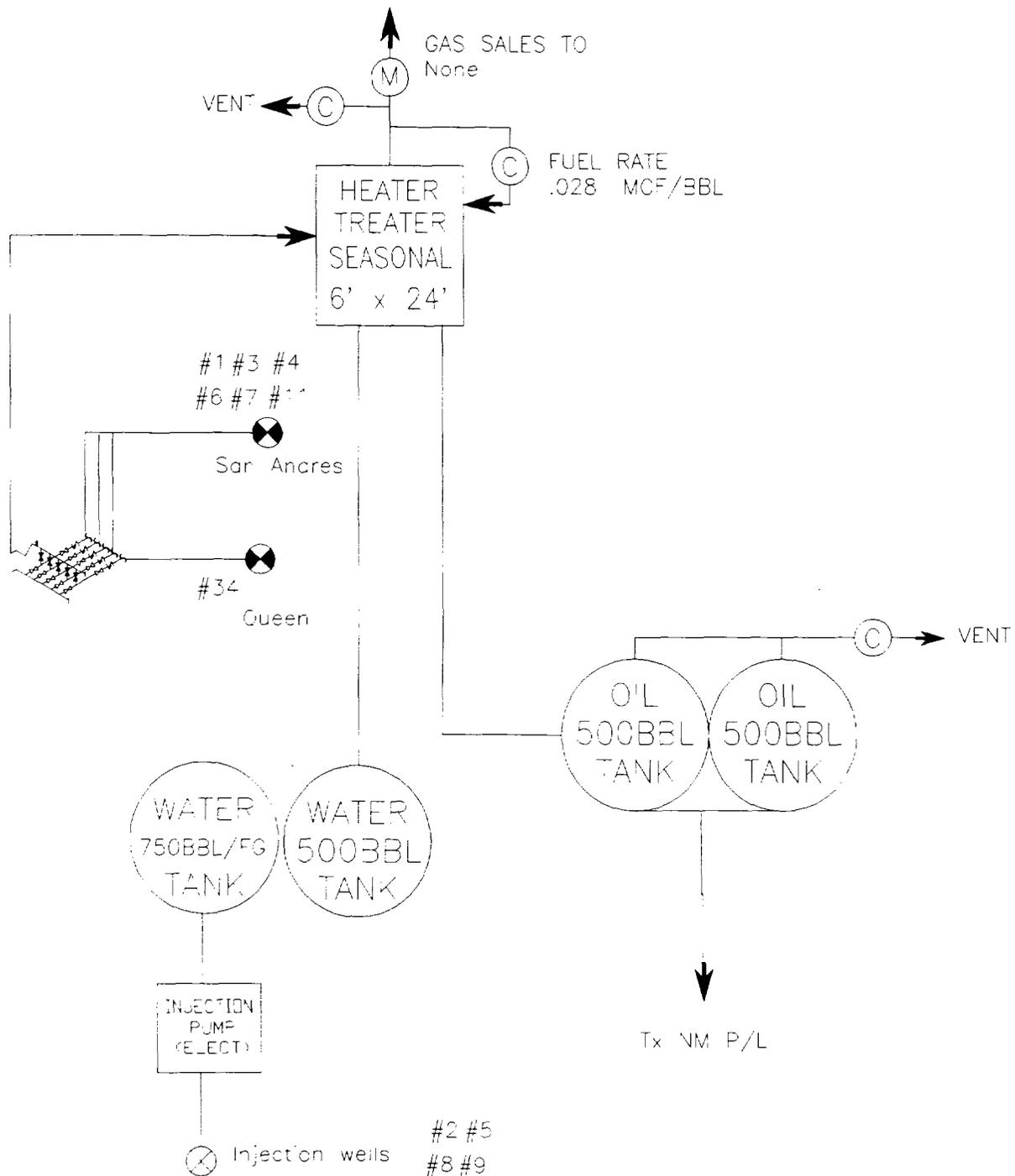
Phillip's has 100 percent ownership of this lease and will measure production by well tests. Texas-New Mexico Pipeline Company is the oil transporter and GPM Gas Corporation is the casinghead gas transporter.

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

Sincerely,

*L. M. Sanders*  
L. M. Sanders, Supervisor  
Regulatory Affairs





NO	REVISION	UPDATED BY DGL	10/26/93	DATE	CHKD	APP'D
FOR BIOS	 PHILLIPS PETROLEUM COMPANY BARTLESVILLE, OKLAHOMA 	JA NO.	FILE CODE			
FOR APPR		AFE NO.	SCALE			
FOR CONST			NO			
DRAWN 10/27/93	DGU	LEASE NAME: Phillips State E batt#1		FILE NAME: philste1		
CHECKED		LEASE CODE: 600096		DWG NO. 1.0		
APP'D		NETWORK:				

PHILLIPS STATE-E LEASE - SURFACE COMMINGLE APPLICATION

FORMATION	PRODUCTION (BOPD)	GRAVITY API (@ 70 F)	PRICE (\$/BBL)	VALUE (\$)
SAN ANDRES	20	36.8	15.55	311
QUEEN	20	34.0	15.55	311

IT IS ANTICIPATED PHILLIPS PETROLEUM WILL BE PAID THE SAME PRICE FOR THE SAN ANDRES AND QUEEN OIL. NO VALUE WILL BE LOST WHEN THE OIL IS SURFACE COMMINGLED.