



State of New Mexico
Commissioner of Public Lands

RAY POWELL, M.S., D.V.M.
COMMISSIONER

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December 15, 1993

Phillips Petroleum Company
4001 Penbrook
Odessa, Texas 79762

Attention: Mr. L. M. Sanders

Re: Surface Commingling
Phillips "E" State Battery #1
Maljamar Grayburg\San Andres and Undesignated Queen Pools
S $\frac{1}{2}$, Section 9-17S-33E and SE $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, Section 8-17S-33E
Lea County, New Mexico

Dear Mr. Sanders:

This office is in receipt of your application to surface commingle the Maljamar Grayburg-San Andres and Undesignated Queen Pool production for the Phillips "E" State Lease, Battery #1 located in Section 8-17S-33E, Lea County, New Mexico.

According to your application, the Phillips "E" State Well Nos. 1, 3, 4, 6, 7 and 11 are producing from the Maljamar Grayburg/San Andres pool and the Well No. 34 is producing from the Undesignated Queen Pool.

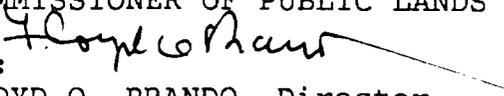
Since ownership is common through, and there will be no loss of revenue to the State of New Mexico's beneficiaries from your proposed operation, the Commissioner of Public Lands, this date approves your request. Our approval is given with the understanding that the Commissioner of Public Lands reserves the right to amend or withdraw his approval should this operation prove to be unprofitable to the State at any time in the future. Our approval is subject to like approval by the New Mexico Oil Conservation Division

If you have any questions, or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY B. POWELL, M.S., D.V.M.
COMMISSIONER OF PUBLIC LANDS

BY:


FLOYD O. PRANDO, Director
Oil/Gas and Minerals Division
(505) 827-5744

RBP/FOP/pm

cc: Reader File

OCD - David Catanach, Ben Stone