EXPLORATION AND PRODUCTION GROUP Permian Basin Region

September 28, 1994

Re: Surface Commingling Ranger Well Numbers 7, 13, 16, 17, and 20 Lea County, New Mexico

State of New Mexico
Energy and 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 production from the Ranger Well Numbers 7, 13, and 16 in the Ranger Lake Penn. Pool, Ranger Well Number 17 in the West Ranger Lake-Atoka Gas Pool, and Ranger Well Number 20 in the Ranger Lake, West-Devonian Gas Pool.

Attached is the following required information:

- 1. Lease Plat
- 2. Tank Battery Schematic
- 3. Gravity and Value of Commingled Production

Phillips has 100 percent ownership of these wells. The oil production will be measured by well tests and the gas well gas will be metered. Amoco Pipeline Company is the oil gatherer and GPM Gas Corporation is the gas transporter.

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

Sanders, Supervisor

Regulatory Affairs

Attachments

## **COMMINGLE PRE-APPLICATION**

STATE LAND OFFICE RULES 1.053-1.055 APPLY TO COMMINGLING OIL AND GAS PRODUCTION FROM NEW MEXICO STATE LANDS. PLEASE PROVIDE THE FOLLOWING INFORMATION SO THAT WE CAN DETERMINE WHETHER OR NOT A COMMINGLE APPLICATION PACKAGE SHOULD BE SUBMITTED.

## 1. BRIEFLY DESCRIBE WHAT YOU PROPOSE TO DO.

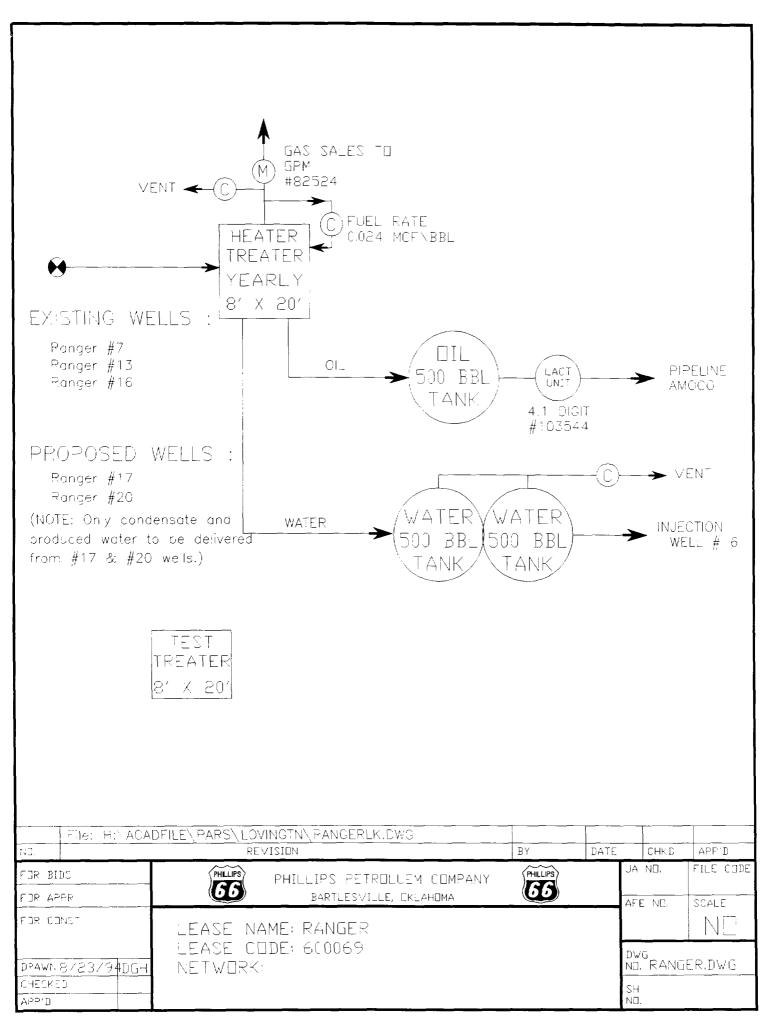
Commingle oil production from Ranger #7, 13, and 16 in the Ranger Lake Penn Pool, Ranger #17 in West Ranger Lake Atoka Gas Pool, and Ranger #20 in West Ranger Lake (Devonian) Pool. Gas well gas will be metered individually.

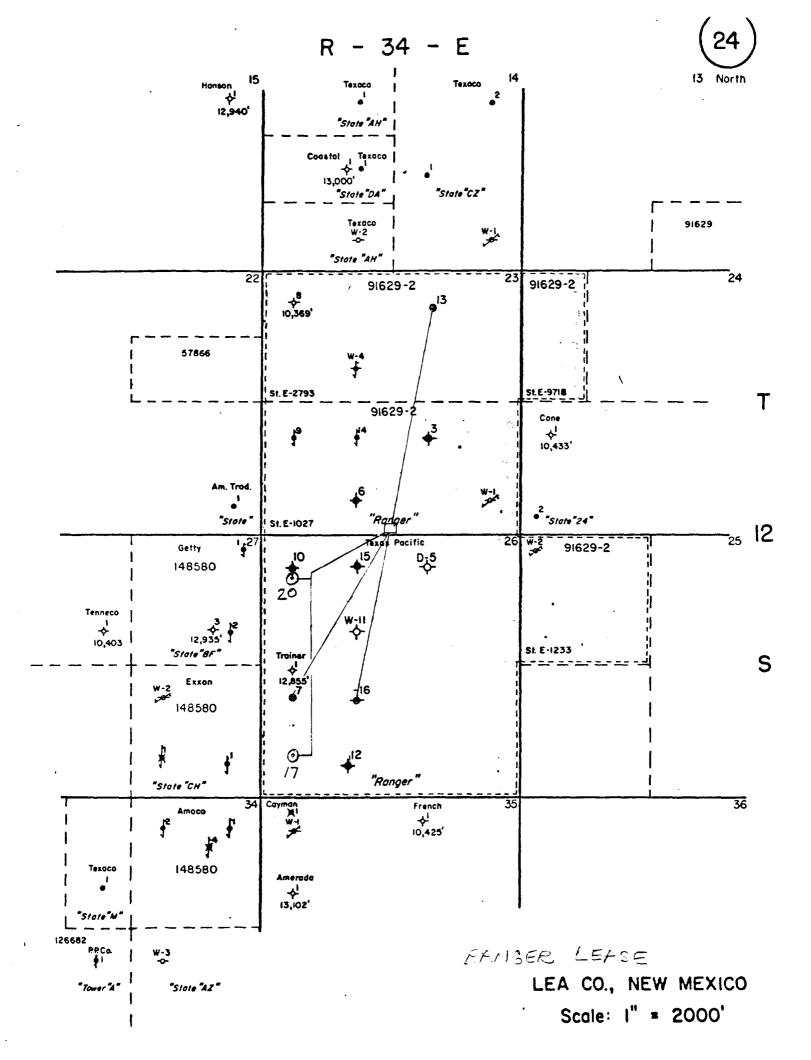
## 2. FILL IN THE FOLLOWING INFORMATION FOR EACH WELL.

WELL NUMBER	LEGAL DESCRIPTION	LESSEE OF RECORD	N.M. LEASE NUMBER	FORMATION
7	Unit L, 1980' FSL			Down /Downh
	of Sec. 26, T-12-S Unit B, 764' FNL		NM-E-906	Penn/Bough
13	of Sec.23, T-12-S		NM-E-906	Penn
16	Unit K, 1980' FSL of Sec.26, T-12-S		NM-E-906	Penn
<del></del>	Unit M, 660' FWL	& 860' FSL		
_17	of Sec. 26. T-12-S		NM-E-906	Atoka
20	Unit D, 810' FNL of Sec. 26. T-12-8		NM-E-906	Devonian
Texas 1	Pacific Coal & Oil	company is the	Lessee of Record fo	or both wells.
NAME:	hat		Als_	
COMPAN	Y: L. M./S Phi/lip	anders s Petroleum Comm	pany	

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT THE OIL, GAS AND MINERALS DIVISION AT (505) 827-5744.

PHONE NUMBER: 915/368-1488





## RANGER LEASE - SURFACE COMMINGLE APPLICATION

FORMATION	PRODUCTION (BBL/DAY)	GRAVITY API (@ 60 f)	PRICE (\$/BBL)	VALUE (\$/Day)
DEVONIAN	5	49.5	17.55	\$ 87.75
ATOKA	10	47.0	17.55	\$ 175.50
PENN	65	38.5	17.96	\$1,167.40
COMMINGLED	80	40.2	18.00	\$1,440.00

NOTE: Price (\$/BBL) assumes a posted price of 18.00 \$/Bbl

Value of surface commingled production will be greater than total value of individual zone production.

Gas streams from the Ranger #17 and Ranger #20 will continue to be metered and sold separately.