



# PHILLIPS PETROLEUM COMPANY

ODESSA, TEXAS 79762  
4001 PENBROOK

EXPLORATION AND PRODUCTION GROUP  
Permian Basin Region

October 31, 1988

Surface Commingling  
Leamex and Philmex Leases  
Vacuum (Grayburg-San Andres) and  
Maljamar (Grayburg-San Andres) Pools  
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

Attn: William J. LeMay  
Director

Gentlemen:

Phillips Petroleum Company respectfully requests an amendment to Commingling Order No. PLC - No. 76 to add the SE/4 SW/4 of Section 26, T-17-S, R-33-E, Lea County, in order that the production from our Philmex, Well No. 30, can be commingled with the production from the previously approved wells on the Leamex and Philmex leases. Philmex Well No. 30, located in Unit N, 660' FSL and 1880' FSL of Section 26, T-17-S, R-33-E, is completed in the Maljamar Grayburg-San Andres Pool. We are also requesting that the production from our newly completed Leamex, Well No. 53, completed in the Maljamar Grayburg-San Andres Pool, be commingled with the same wells. The Leamex, Well No. 53, is located in Unit F, 1980' FNL and 1980' FWL of Section 25, T-17-S, R-33-S. This area was included in original commingling order. The wells presently being commingled and the newly completed wells are shown on the attached lease plat and tank battery schematic. In accordance with the provisions of Statewide Rule 303-B and Statewide Rule 309-B, pertinent information and supporting data is included herein.

1. Production from the leases will be from the Maljamar (Grayburg-San Andres) and the Philmex (Grayburg-San Andres) Pools, Philmex Well Nos. 18 and 20 are completed in the Vacuum (Grayburg-San Andres) Pool. Philmex Well Nos. 19, 21, 23, 24, 25, 27 and 28 are completed in the Maljamar (Grayburg-San Andres) Pool. Leamex Well Nos. 43, 44, 47 and 48 are also completed in the Maljamar (Grayburg-San Andres).
2. Adequate test facilities will be provided as shown on the tank battery schematic.

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OPERATIONAL DIVISION  
SANTA FE

3. Phillips own 100% interest in the leases and is the purchaser of the commingled production. Phillips has 100% working interest and 87.5% royalty interest in the leases. The State of New Mexico Common School Land has 12.5% interest in the leases. There is no overriding royalty interest or diversity of ownership. The Commissioner of Public Lands has been notified by certified mail of the subject application.

Your expeditious consideration and administrative approval would be appreciated.

Very truly yours,



Larry M. Sanders, Supervisor  
Regulation and Proration

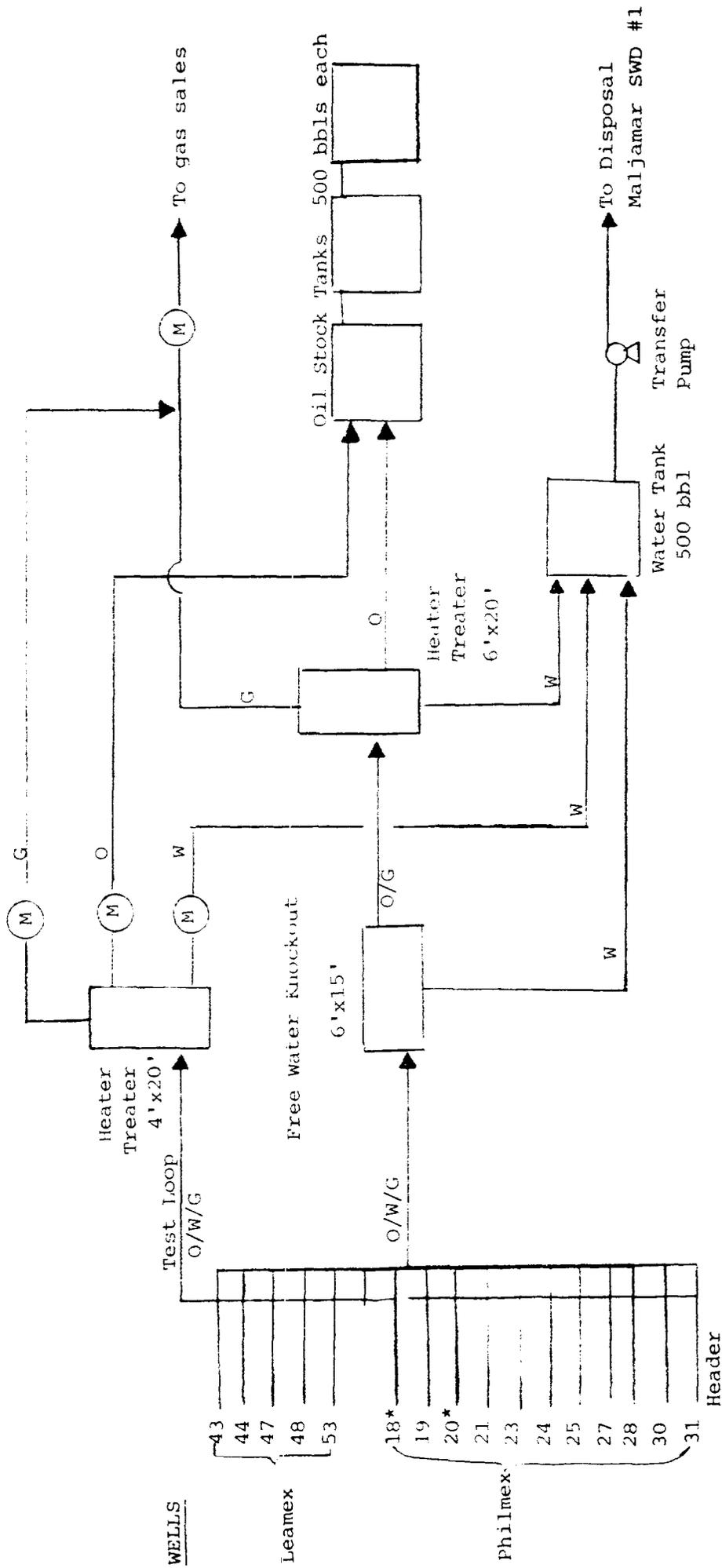
LMS/AP/sdb  
REG/PRO12/leamex-commingle

Attachments

cc: Commissioner of Public Lands  
P. O. Box 1148  
Santa Fe, New Mexico 87504-1148

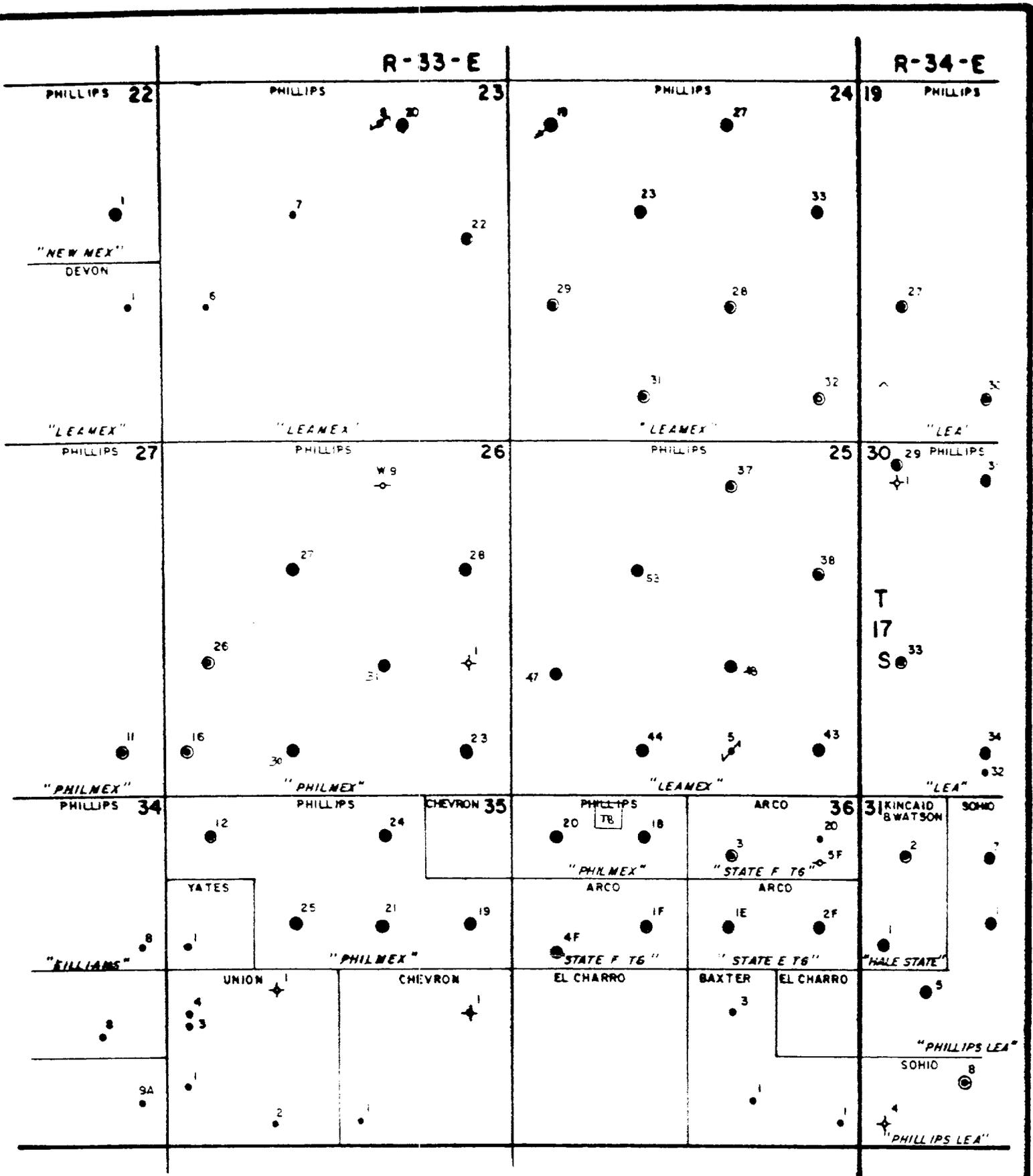
New Mexico Department of Energy and Minerals  
Oil Conservation Division  
P. O. Box 1980  
Hobbs, New Mexico 88240

PHILMEX TANK BATTERY NO. 3  
SCHEMATIC



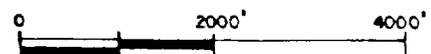
Symbols: M = Meter  
O = Oil  
G = Gas  
W = Water

\* = Completed in Vacuum Gb/SA Pool  
(All other wells completed in Maljamar Gb/SA Pool)



© Completed in Grayburg/San Andres

PHILLIPS PETROLEUM COMPANY  
 LEAMEX & PHILMEX LEASES  
 T-17-S, R-33-E  
 Lea County, New Mexico



GRAVITY AND VALUE OF COMMINGLED LIQUID HYDROCARBONS

	<u>Philmex Lease (Maljamar Gb/SA)</u>	<u>Philmex Lease (Vacuum Gb/SA)</u>	<u>Leamex Lease (Maljamar Gb/SA)</u>	<u>Total Commingled Production</u>
Oil Gravity	37	37	37	
Value	\$15/bbl	\$15/bbl	\$15/bbl	
Oil Volume	695 BOPD (9 wells)	85 BOPD (2 wells)	340 BOPD (5 wells)	
Gravity of Commingled Oil	37	37	37	37
Value	\$15/bbl	\$15/bbl	\$15/bbl	\$15/bbl
Volume	695 BOPD (9 wells)	85 BOPD (2 wells)	340 BOPD (5 wells)	1120 BOPD

There will be no loss of actual commercial value of the commingled production (value of commingled production will equal the sum of the value of the production from each common source of supply). Phillips Petroleum Company owns 100% interest in the leases and is the purchaser of the commingled production. The State of New Mexico Common School Land has 12.5% royalty interest in the leases. There is no overriding royalty interest or diversity of ownership.