

W.R. HUMPHRIES
COMMISSIONER

Commissioner of Public Lands

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

November 4, 1988

Phillips Petroleum Company
Attn: Mr. Larry M. Sanders
4001 Penbrook
Odessa, Texas 79762

Re: Surface Commingling
Lease No. B-2229-1 and B-2148-3
Leamex and Philmex Leases
Vacuum Gb/Sa & Maljamar Gb/Sa
Pools, Lea County, New Mexico

Gentlemen:

Reference is made to your application dated October 27, 1988, wherein you have requested our approval to surface commingle production from the Philmex (lease No. B-2229-1) and the Leamex (Lease No. B-2148-3) leases.

Since It appears that there will be no loss of revenue to the State of New Mexico as a result of your proposed operation, your request for surface commingling operations is hereby approved. Any deviation from the substance of your request will be sufficient grounds for rescinding our approval. Our approval is subject to like approval by the New Mexico Oil Conservation division.

If we may be of further help please do not hesitate to call on us.

Very truly yours,

W. R. HUMPHRIES
COMMISSIONER OF PUBLIC LANDS

BY: *Floyd O. Prando*
FLOYD O. PRANDO, Director
Oil and Gas Division
(505) 827-5744

WRH/FOP/pm
encls.
cc: OCD
B-2229-1 and B-2148-3

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY



POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

2nd AMENDMENT - COMMINGLING ORDER PLC-76

Phillips Petroleum Company
4001 Penbrook
Odessa, TX 79762

Attention: L.M. Sanders

The above-named company is hereby authorized to commingle Maljamar Grayburg San Andres and Vacuum Grayburg San Andres Pool production from the following leases:

LEASE NAME: Leamex Lease
DESCRIPTION: S/2, S/2 NW/4 of Section 25;

LEASE NAME: Philmex Lease
DESCRIPTION: E/2 NW/4, SE/4 SW/4 of Section 26, NW/4 NE/4, S/2 NE/4, SE/4 NW/4 of Section 35 and the N/2 NW/4 of Section 36;

LEASE NAME: State "F" TG Lease
DESCRIPTION: S/2 NW/4, N/2 NE/4 and the SE/4 NE/4 of Section 36; and,

LEASE NAME: State "E" TG Lease
DESCRIPTION: SW/4 NE/4 of Section 36,

All in Township 17 South, Range 33 East, NMPM, Lea County, New Mexico

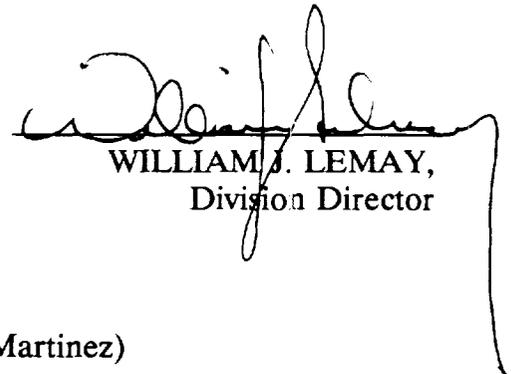
Production shall be allocated to each lease by well tests. (If this method or the subtraction method is to be authorized, all commingled production must be of identical ownership including working interest, royalty interest, and overriding royalty interest.)

FURTHER: The operator shall notify the Hobbs District Office of the Division upon implementation of the commingling process.

2nd Amendment - Commingling Order PLC-76
Phillips Petroleum Company
October 5, 1993
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NOTE: This installation shall be installed and operated in accordance with the applicable provisions of Rule 309-B of the Division Rules and Regulations and the Division "Manual for the Installation and Operation of Commingling Facilities." It is the responsibility of the producer to notify the transporter of this commingling authority.

DONE at Santa Fe, New Mexico, on this 5th day of October, 1993.


WILLIAM J. LEMAY,
Division Director

cc: Oil Conservation Division - Hobbs
NM State Land Office - Oil & Gas Division (Pete Martinez)