

RELEASE 7.20.93

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OIL CONSERVATION DIVISION  
JUN 9 15



**PHILLIPS PETROLEUM COMPANY**

ODESSA, TEXAS 79762  
4001 PENBROOK

EXPLORATION AND PRODUCTION GROUP

June 29, 1993

**Re: Request to Amend  
Order PLC-No. 76  
Leamex (B-2148)  
Philmex (B-2229)  
Surface Commingle Production**

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

Gentlemen:

Phillips Petroleum Company requests administrative approval to amend Commingling Order PLC-No. 76 Authorization for the Leamex Lease and Philmex Leases by adding State "E" TG and State "F" TG Leases. All of the State "E" TG and State "F" TG wells produce from Grayburg/San Andres formation. Currently the State "E" TG and State "F" TG wells are commingled at the tank battery, located NW/4 NE/4 of Section 36, T-17-S, R-33-E, Lea County, New Mexico. This tank battery will be eliminated upon approval to surface commingle these wells, thus decreasing operating expenses associated with the battery. Pertinent information and data are included herein:

Production for all leases involved is produced from Grayburg/San Andres formation.

Determination of production from each well will be provided by well tests with the exception of State "E" TG Lease, which will be metered.

All leases to be commingled share a common working interest, royalty interest, and overriding interest with the exception of the State "E" TG Lease.

State of New Mexico  
Energy and Minerals Natural Resources Dept.  
Oil Conservation Division  
Santa Fe, New Mexico  
Page 2.

Attached is a list of royalty interest owners, overriding interest owner, and purchaser, which have been notified by copy of this application June 29, 1993, by certified mail.

Sincerely,

PHILLIPS PETROLEUM COMPANY

A handwritten signature in black ink, appearing to read "L. M. Sanders". The signature is written in a cursive style with a long, sweeping underline.

L. M. Sanders, Supervisor  
Regulatory Affairs

LMS:ehg  
Attachments

RegPro:LSand:Comngl76.Lmx

**ROYALTY INTEREST OWNERS**

State Land Office  
310 Old Santa Fe Trail, Rm. 206  
P. O. Box 2088  
Santa Fe, New Mexico, 87504-2088

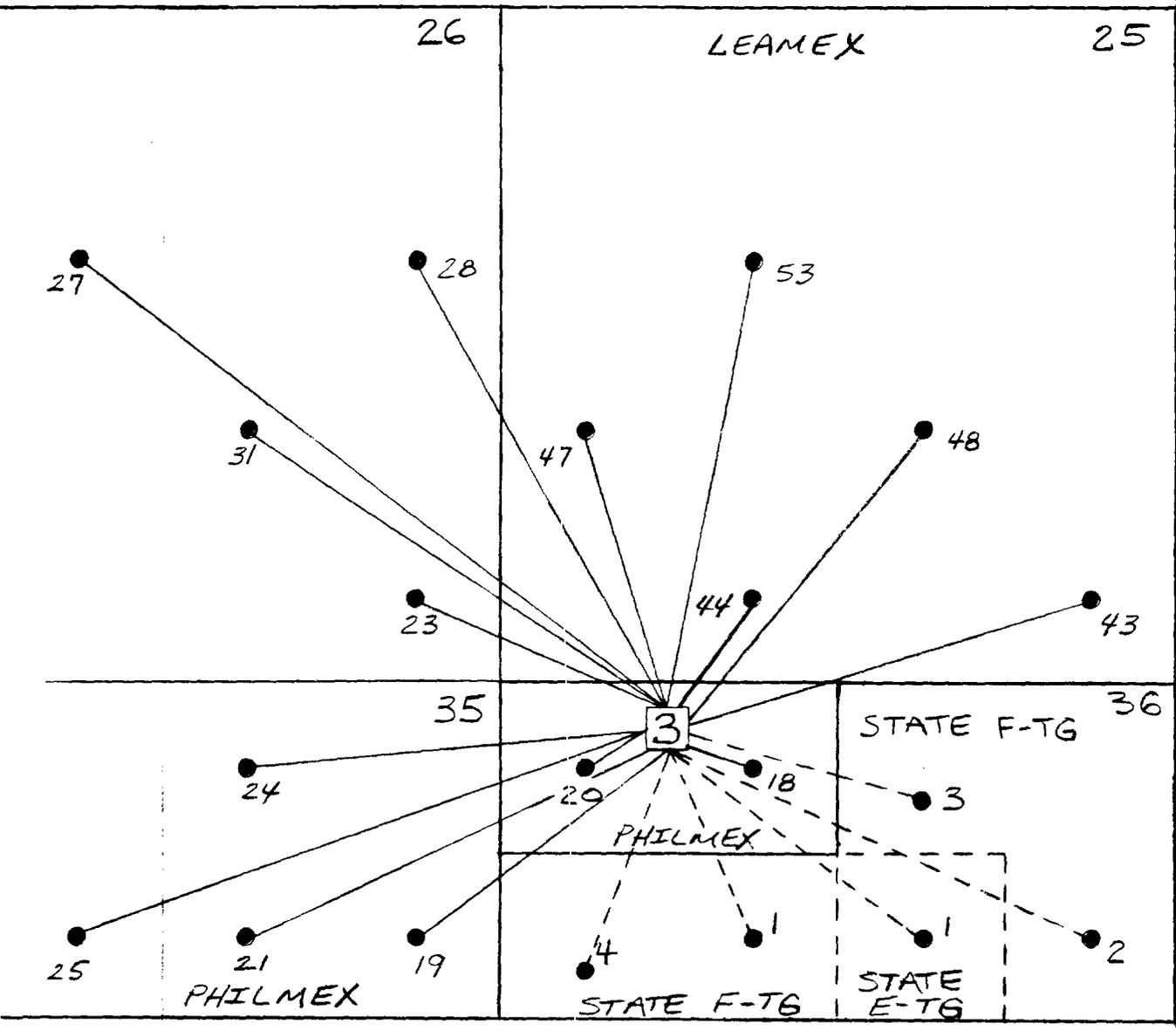
McQuire Energy Company  
1401 Elm Street, Ste. 4200  
Dallas, Texas 75202

Phillips Petroleum Company  
4001 Penbrook Street  
Odessa, Texas 79762

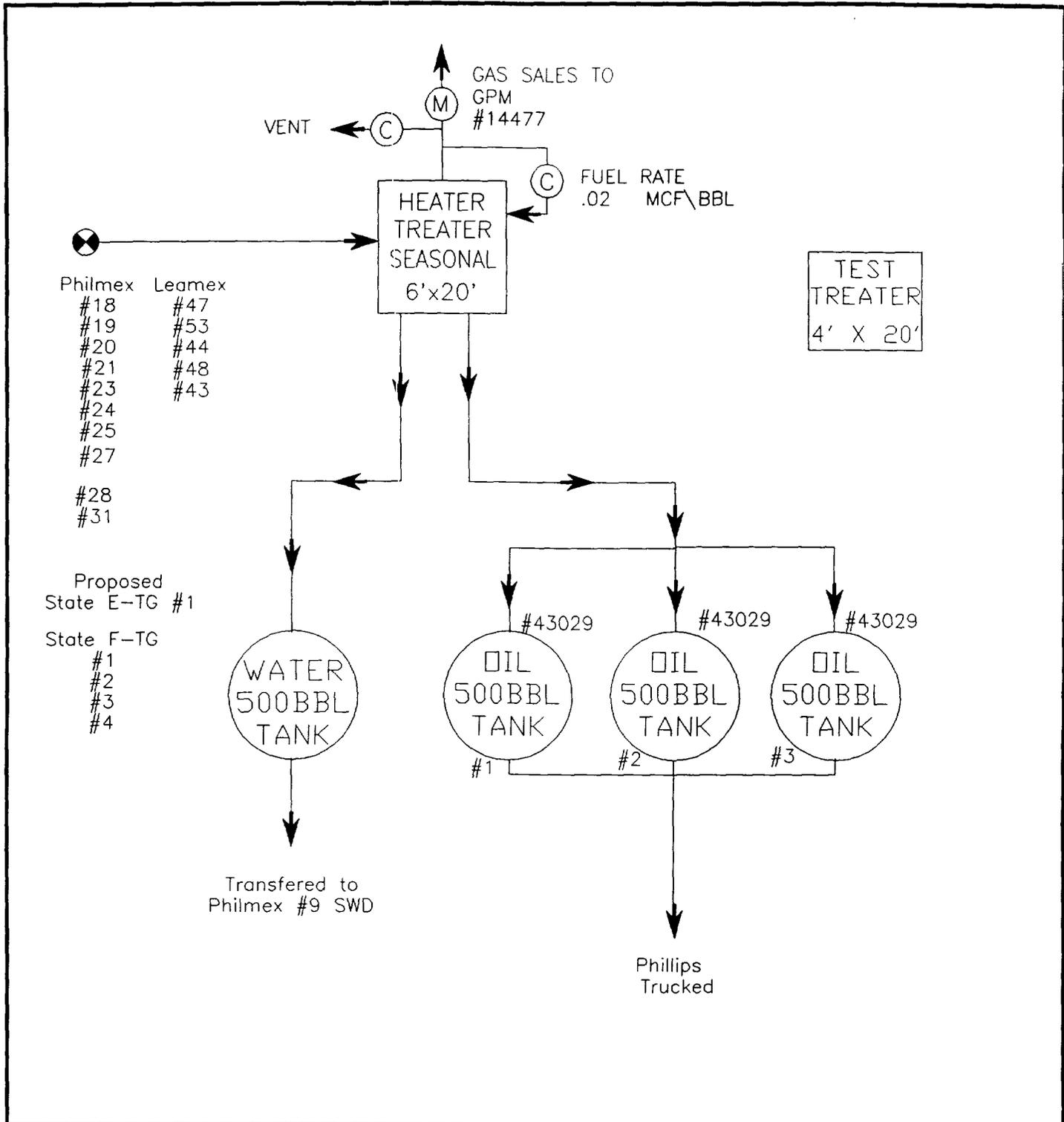
**Oil Transporter**

Texas New Mexico Pipeline Company  
P. O. Box 1510  
Midland, Texas 79702

T-17-S, R-33-E  
 LEA COUNTY, NEW MEXICO



————— EXISTING FLOWLINE  
 - - - - - PROPOSED RE-ROUTED FLOWLINE



NO.	REVISION	UPDATED BY	DATE	CHKD	APP'D
FOR BIDS	PHILLIPS PETROLEUM COMPANY BARTLESVILLE, OKLAHOMA		JA NO.	FILE CODE	
FOR APPR			AFE NO.	SCALE	
FOR CONST	LEASE NAME: Philmex btry 3 LEASE CODE: 600017 NETWORK:		FILE NAME: Philmex3		
DRAWN 04/15/93 DGU			DWG NO. 3		
CHECKED					
APP'D					



State of New Mexico

OFFICE OF THE

Commissioner of Public Lands

Santa Fe

RAY B. POWELL  
COMMISSIONER

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

August 18, 1993

Phillips Petroleum Company  
4001 Penbrook  
Odessa, Texas 79762

Attn: Mr. L. M. Sanders

Re: Surface Commingling  
Amendment of OCD Commingling Order PLC No. 76  
Leamex, Philmex, State "E" TG and State "F" TG Wells  
Lea County, New Mexico

Dear Mr. Sanders:

This office is in receipt your application to surface commingle the State F-TG Well Nos. 1 thru 4 (B-2229) and the State E-TG Well No. 1 (B-8398) , into the Philmex No. 3 Tank Battery located in the N/2NW/4 of Section 36, Township 17 South, Range 33 East (B-2229-1).

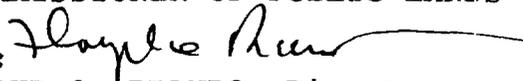
According to your application twenty wells producing from the Grayburg San Andres formation will be commingled at the Philmex No. 3 Tank Battery.

Since ownership is common throughout 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  
COMMISSIONER OF PUBLIC LANDS

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

RBP/FOP/pm

cc: Reader File

OCD-Santa Fe, Attn: David Catanach, Ben Stone  
B-2148  
B-2229  
B-8398