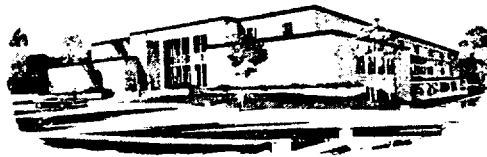


# State of New Mexico



W.R. HUMPHRIES  
COMMISSIONER

## Commissioner of Public Lands

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

L. M. Sanders, Supervisor  
Regulation and Proration  
Phillips Petroleum Company  
4001 Penbrook  
Odessa, TX 79762

October 12, 1990

Re: Surface Commingling  
Leamex Well No.s' 6 & 7 (Lease No. B-2148-3)  
Devon State Well No. 1 (Lease No. B-2516-36)  
Leamex Penn Field  
Lea County, New Mexico

CTB-349

Gentlemen:

Reference is made to your application dated August 31, 1990 wherein you have requested our approval to surface commingle production from the Leamex Well numbers 6 & 7 (Lease No. B-2148-3) and Devon State Well number 1 (Lease No. B-2516-36).

Our records show that these wells (Leamex No.s' 6 & 7 in Section 23-17S-33E and Devon State No. 1 in Section 22-17S-33E) produce from the Penn reservoir.

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. This request 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 please call Clyde Langdale at (505) 827-5791.

Sincerely,

W. R. HUMPHRIES  
COMMISSIONER OF PUBLIC LANDS

BY: *Floyd O. Prando*  
Floyd O. Prando, Director  
Oil, Gas & Minerals Division

WRH/FOP/CL/dm

cc: OCD *David Catanach*



**PHILLIPS PETROLEUM COMPANY**

ODESSA, TEXAS 79762  
4001 PENBROOK

EXPLORATION AND PRODUCTION GROUP  
Permian Basin Region

RECEIVED  
OIL DIVISION  
FD  
'90 SEP 16 AM 8 57

September 5, 1990

Surface Commingling  
Leamex Well Nos. 6 and 7 and  
Devon State Well No. 1  
Penn Field  
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 permission to surface commingle the production on subject wells. The consolidation of production to one battery will optimize operational efficiency.

Attached is support data for this application.

Your early consideration is appreciated.

Very truly yours,

Larry M. Sanders  
Regulation and Proration Supervisor

LMS:JLM:ls  
regpro/jmap1/leasurf1

Attachment



## PHILLIPS PETROLEUM COMPANY

ODESSA, TEXAS 79762  
4001 PENBROOK

EXPLORATION AND PRODUCTION GROUP  
Permian Basin Region

### PHILLIPS PETROLEUM COMPANY

Surface Commingling Application  
Leamex and Devon State Leases

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#### LEAMEX - State Lease No. B-2148

Well No. 6, Unit L, 1910' FSL and 730' FWL of Section 23, T-17-S,  
R-33-E, Lea County, New Mexico

Well No. 7, Unit F, 1976' FWL and 1980' FNL of Section 23, T-17-S,  
R-33-E, Lea County, New Mexico

#### DEVON STATE - State Lease No. B-2516

Well No. 1, Unit I, 1874' FSL and 554' FEL of Section 22, T-17-S,  
R-33-E, Lea County, New Mexico

1. Production from the Leamex Well Nos. 6 and 7 and Devon State Well No. 1 is from the Leamex Penn Field.
2. Adequate test facilities will be provided as shown on the tank battery schematic.
3. Phillips owns 100% interest in the leases and is the purchaser of the oil and gas production from the Devon State lease and the gas production from the Leamex. Texas New Mexico Pipeline is the oil gatherer on the Leamex and has been notified by certified mail of this application. Phillips has 100% working interest and 87.5% royalty interest in the leases. There is no overriding royalty interest or diversity of ownership. Permission has been requested this date from the Commissioner of Public Lands for commingling authority.

PHILLIPS PETROLEUM COMPANY

SURFACE COMMINGLE APPLICATION  
LEAMEX & DEVON STATE LEASES

Gravity & Value of Commingled Liquid Hydrocarbons  
Before Commingling:

	<u>LEAMEX LEASE</u> (Penn)	<u>DEVON STATE LEASE</u> (Penn)	<u>TOTAL</u> <u>COMMINGLED PRODUCTION</u> (Penn)
Oil Gravity	41°	41°	41°
Value	\$17.50/bbl	\$17.50/bbl	\$17.50/bbl
Oil Volume	30 BOPD (1 well)	17 BOPD (1 well)	47 BOPD

After Commingling:

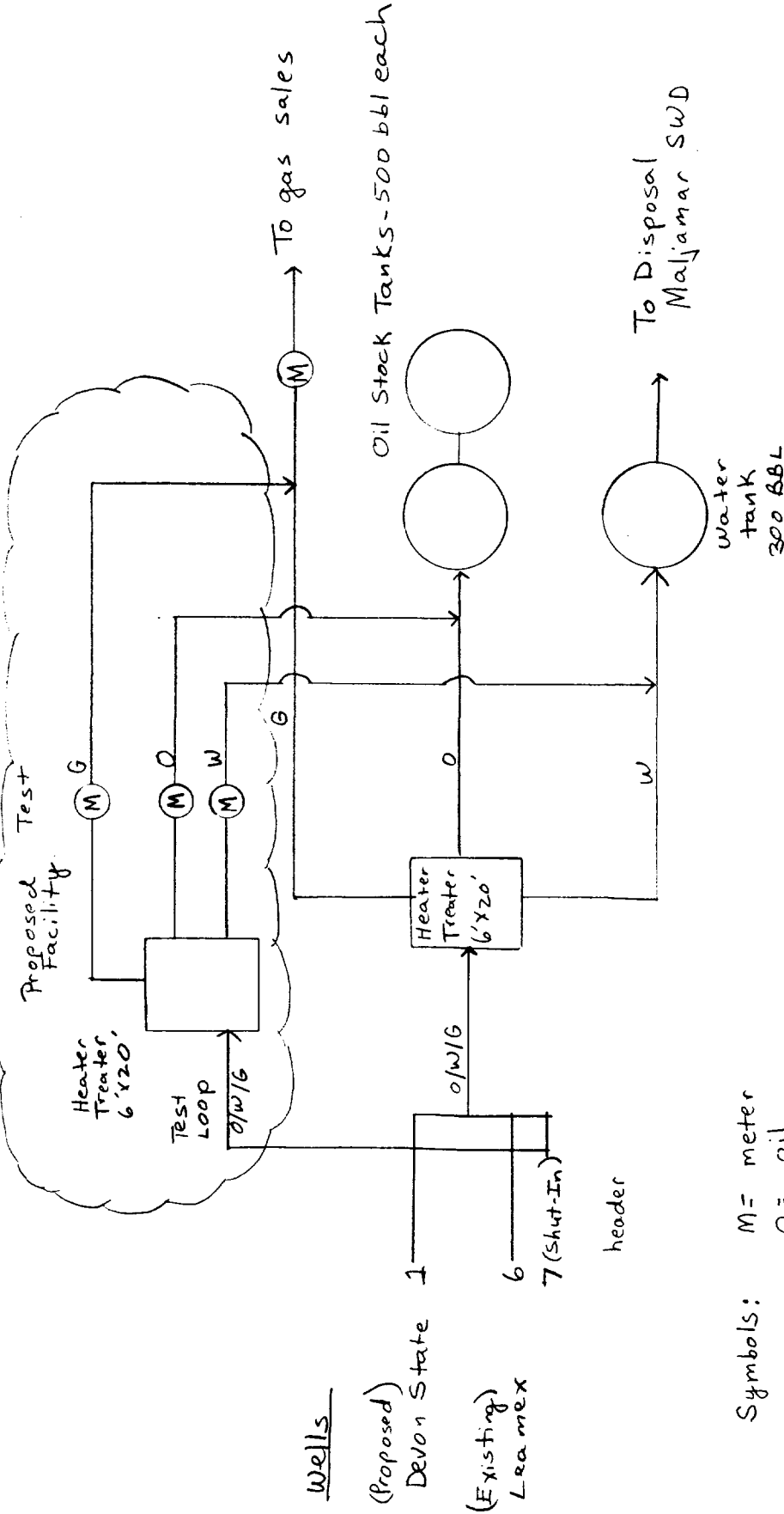
Oil Gravity	41°	41°	41°
Value	\$17.50/bbl	\$17.50/bbl	\$17.50/bbl
Oil Volume	30 BOPD	17 BOPD	47 BOPD

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.)

REGPRO:JMAPL:leamex21.b

# Leamex Tank Battery No. 3

## Schematic



Symbols: M= meter  
 O= oil  
 W= water  
 G= gas

Phillips Petroleum Company  
 Leamex - Lease No. 600018  
 Devon State - Lease No 600252

PMC May 2, 1990