

West Lovington Strawn Pool

			Cum Prod 8/1/99 STB	Technical Committee				C.B. Gillespie, Jr.				Energen Compromise				
				2/12/99 HPVAF	OPIP STB	Recovery STB	Difference STB	7/16/99 HPVAF	OPIP STB	Recovery STB	Difference STB	8/2/99 HPVAF	OPIP STB	Recovery STB	Difference STB	
Well	Tract	Acres														
EC 1	16	91.0	46,723	37,536	130,585	39,175	7,548	67,217	233,843	70,153	-23,430	71,848	249,954	74,986	-28,263	
C 4	17	91.0	112,761	79,698	277,263	83,179	29,582	83,963	292,101	87,630	25,131	78,101	271,707	81,512	31,249	
Beadle	21	80.0	0	63,057	219,370	65,811	-65,811	5,534	19,252	5,776	-5,776	6,231	21,677	6,503	-6,503	
F 3	22	91.0	0	58,855	204,752	61,426	-61,426	128,359	446,551	133,965	-133,965	47,645	165,753	49,726	-49,726	
WLSU	1 to 14	1618.9	3,814,287	3726,691	12,964,874	3,889,462	-75,175	4386,320	15,259,673	4,577,902	-763,615	4066,810	14,148,122	4,244,437	-430,150	

OOIP STB HPVAF(7758/2.23)

Recovery STB OOIP(.30)

Difference STB Positive is overproduced

Negative is under produced

Pre-Unitization Reservoir Study

Primary Recovery 13.60%

Gravity Stabilized Recovery

(Between 100 & 150 BOPD/well) 20.0% to 25.0%

Gas Injection Pressure Maintenance

Gillespie 30.00%

**PHILLIPS PETROLEUM COMPANY**4001 PENBROOK
ODESSA, TEXAS 79762EXPLORATION AND PRODUCTION
Southwest Region

September 15, 1999

Mr. Michael Stogner
New Mexico Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505

Re: NMOCD Case No. 12086; Application of Yates Petroleum Corporation, Hanley Petroleum, Inc. and Energen Resources Corporation for Allowable Reduction, West Lovington Strawn pool, Lea County, New Mexico

Dear Mr. Stogner:

Phillips Petroleum Company is a participant in the West Lovington Strawn Unit. As a working interest owner, Phillips participates in the production of unitized substances and also bears its proportionate share of the costs incurred in maintaining proper reservoir pressure through the Unit's gas injection pressure maintenance program.

The drilling and operation of a number of wells immediately adjacent to the boundaries of the West Lovington Strawn Unit has led to the uncoordinated development of the West Lovington Strawn pool. As a result, the offsetting operators are reaping the benefits of the Unit's pressure maintenance operations, cost free, and Phillips and the other interest owners are suffering the impairment of their correlative rights as a consequence.

The temporary reduction of the allowable is necessary to protect correlative rights and to promote the coordinated development and operation of the pool by the affected parties. Accordingly, Phillips supports the position of the Applicants in this case and asks the Division to grant the relief requested.

Sincerely,

A handwritten signature in cursive script, appearing to read "Alfred H. Kent, Jr.".

Alfred H. Kent, Jr.
Phillips Petroleum Company