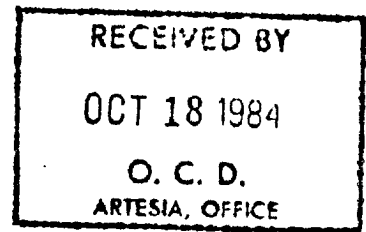




**PHILLIPS PETROLEUM COMPANY**

ODESSA, TEXAS 79762  
4001 PENBROOK

EXPLORATION AND PRODUCTION GROUP  
Permian Basin Region  
October 17, 1984



Request for Leasehold Production During  
Gas Well Gas Pipeline Proration -  
Artesia Plant and Gathering Systems,  
Eddy County, New Mexico

Yates Drilling Company  
207 South 4th Street,  
Artesia, New Mexico 88210

Attention: Mr. T. L. Rhodes, Engineer

Gentlemen:

Your request for leasehold production requirements on the Yates' Pecos River Deep Unit No. 1 - (F,28,19,27) - and the Pecos River Deep Unit No. 3 - (H,13,20,26) - Eddy County has been received. This is authority to you and to Phillips' Artesia Plant Superintendent Don Laird, telephone (505)677-3154 to produce each well into the plant gathering system for one day only and with a maximum production volume of 50 Mcf gas from each well. This production schedule is to apply to each of your leasehold required production periods and should be scheduled so that two production periods can be satisfied by two consecutive days of physical production. Please arrange mutually satisfactory production periods with Mr. Laird.

It is Phillips' position that the 50 Mcf gas production will adequately support leasehold production requirements for each required production period during this time of gas well gas pipeline proration at the Artesia Plant and gathering systems facilities.

Phillips intends fair and equitable treatment to all operators and their separate leases during gas well gas take curtailment at the Artesia Plant. Consequently, it has been necessary to establish the leasehold production limits stated above. Be advised that we are taking no gas well gas except the bare minimum necessary to maintain individual leasehold status of the operator's individual lease(s).

Very truly yours,

E. E. Clark

THM:se

cc: US Dept. of the Interior, MMS, Carlsbad, New Mexico  
State of New Mexico Land Commissioner, Santa Fe, New Mexico  
Oil Conservation Div., Dept. of Energy - New Mexico, Santa Fe, New Mexico  
✓ Oil Conservation Div., Dept. of Energy - New Mexico, Artesia, New Mexico  
Phillips Petroleum Company, Artesia Plant, Attn: Don Laird, Artesia, New Mexico