



**PHILLIPS PETROLEUM COMPANY**

ODESSA, TEXAS 79762  
4001 PENBROOK

EXPLORATION AND PRODUCTION GROUP  
Permian Basin Region

RECEIVED

AUG 23 1991

O. C. D.  
ARTESIA, OFFICE

August 22, 1991

New Mexico Dept. of Energy and Minerals  
Oil Conservation Division  
P. O. Drawer DD  
Artesia, New Mexico 88210

Attn: Mr. Mike Williams

Re: Drilling Permit Request  
Molly State #1  
660' FNL, 1980 FWL  
Section 1, T-22S, R-31E  
Eddy County, New Mexico  
State of NM-V-3605  
216679-000

Gentlemen:

State Lease V-3605 was offered at the February 1991 State Lease Sale. Phillips was the high bidder and was awarded the lease effective March 1, 1991. This is the lease upon which we are proposing to drill and requesting a drilling permit. Prior to purchasing said lease, Phillips contacted Mr. Tony Herrel in the Carlsbad BLM office to confirm that this acreage is not inside the "LMR" for any existing potash Lessee's mapping or in a proven, minable locale. This assurance was received. Additionally, as you will note on the attachment, other oil and gas Lessees have recently permitted and drilled wells to the north and east which are direct offsets to our well location. Finally, another well has been drilled to the south which is not a direct offset but is indicative of the fact that multiple permits have been issued in this specific area.

We again contacted Mr. Herrel on this date and were reassured of the above. Based upon this information, we request your assistance in an early issuance of our permit so that we may expedite the drilling of the referenced well. Please be advised that in addition to the initial well, we have plans and are requesting permits for additional wells on this lease. Thank you for your cooperation and kind assistance. We look forward to your early approval of these permit requests.