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PHILLIPS PETROLEUM COMPANY

BARTLESVILLE, OKLAHOMA

PRODUCTION DEPARTMENT

L. E. FITZJARRALD
MANAGER

August 11, 1954

J. M. HOUGHIN
GENERAL SUPERINTENDENT
J. TARNER
TECHNICAL ADVISER TO MGR
H. S. KELLY
CHIEF ENGINEER

In re: Application of Phillips Petroleum Company for Approval to
Dually Complete its Mexico Well No. 3, Eumont Gas Zone
and Grayburg Oil Zone, Section 18, Township 20 South,
Range 37 East, Lea County, New Mexico

New Mexico Oil Conservation Commission
P.O. Box 871
Santa Fe, New Mexico

Attention of Mr. W. B. Macey

Gentlemen:

Phillips Petroleum Company kindly requests approval in accordance with the Commission's Rule No. 112-A, to dually complete its Mexico Well No. 3, located 660 feet from the north and east lines of the NE/4 of Section 18, Township 20S, Range 37 East, Lea County, New Mexico.

This well is located in the Monument Field and is currently producing from the Grayburg formation through open hole from 3752 feet to 3800 feet. Original completion date was May 30, 1937. The oil string consisting of 7 inch OD casing is set at 3752 feet. Top of the Queen sand is at 3205 feet and top of the Penrose sand (Main Eumont sand zone) is at 3305 feet. We propose perforating the Penrose sand from 3305' to 3450' and thereby dually completing the well in the Eumont Gas Zone and the Grayburg Oil Zone as shown on the attached diagramatic sketch.

Our Mexico lease described as the S/2 NE/4 and NE/4 NE/4 of Section 18-20S-37E contains a total of 120 acres. We propose forming a standard 160 acre gas proration unit attributable to our Mexico Well No. 3, (Eumont sand) by unitizing the royalty under this lease with that under our Patsy lease containing 40 acres and described as the NW/4 NE/4 of Section 18. The working interest in these two leases is common.