



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

July 9, 1997

Phillips Petroleum Company
4001 Penbrook
Odessa, Texas 79762
Attention: Larry M. Sanders

Administrative Order NSP-1775

Dear Mr. Sanders:

Reference is made to your application dated March 25, 1997 to reduce the acreage on an existing 160-acre standard gas spacing and proration unit ("GPU") in the Tubb Oil and Gas Pool comprising the NW/4 of Section 24, Township 22 South, Range 37 East, NMPM, Lea County, New Mexico, by omitting the 40 acres comprising the SE/4 NW/4 (Unit F) of said Section 24 from said GPU.

Division Order NSL-3336(SD), dated December 13, 1993, authorized the simultaneous dedication of the 160-acre unit to the Sims Well No. 3 (API No. 30-025-10445), located at a standard gas well location 1980 feet from the North and West lines (Unit F) of said Section 24 and the Sims Well No. 10 (API No. 30-025-28310), located at a non-standard gas well location 1980 feet from the North line and 550 feet from the West line (Unit E) of said Section 24.

It is our understanding that such reduction of acreage is necessary due to the classification of the Sims Well No. 3 as a Tubb oil completion.

By authority granted me under the provisions of Rule 3(b) of the "*General Rules for the Prorated Gas Pools of New Mexico/Special Rules and Regulations for the Tubb Oil and Gas Pool*", as promulgated by Division Order No. R-8170, as amended, the following described 120-acre non-standard gas spacing and proration unit is hereby approved:

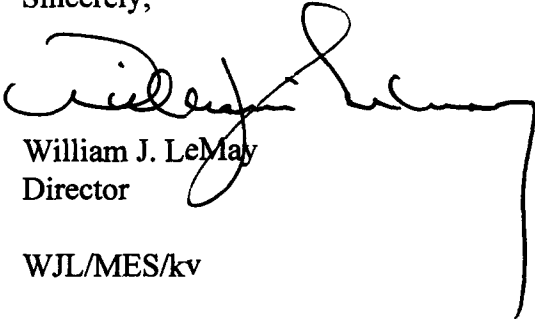
LEA COUNTY, NEW MEXICO
TOWNSHIP 22 SOUTH, RANGE 37 EAST, NMPM
Section 24: N/2 NW/4 and SW/4 NW/4

Said unit is to be dedicated to the above-described Sims Well No. 10, with allowable assigned thereto in accordance with Rule 5 of said special pool rules based upon the unit size of 120 acres.

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Division Administrative Order NSL-3336(SD) shall remain in full force and effect until further notice.

Sincerely,

A handwritten signature in black ink, appearing to read "William J. LeMay", is written over the typed name and title. The signature is fluid and cursive, with a long horizontal stroke extending to the right.

William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation Division - Hobbs
File: NSL-3336(SD) /