

PHILLIPS PETROLEUM COMPANY

P. O. Box 2105 Hobbs, New Mexico

November 20, 1962

pth-17

In re: Request for Administrative Approval for Exception to New Mexico Oil Conservation Rule 309(a)

New Mexico Oil Conservation Commission (2) State of New Mexico P. O. Box 871 Santa Fe, New Mexico

Attention: Mr. A. L. Porter, Jr., Secretary-Director

Dear Sir:

Phillips Petroleum Company and Phillips Chemical Company request an exception to NMOCC Rule No. 309(a) and request administrative approval to commingle into a common tank battery the production from the leases and tracts described below.

Phillips Petroleum Company

Santa Fe Lease - T17S, R35E, Lea County, New Mexico State Lease B-1861 - NE/4 of SW/4, Sec. 29 State Lease B-2073 - N/2 of NE/4, Sec. 29 State Lease B-2073 - SE/4 of NE/4, Sec. 29 State Lease B-2073 - SW/4 of NE/4, Sec. 29 State Lease B-2224 - SE/4 of SE/4, Sec. 21 State Lease B-2264 - SW/4 of SE/4, Sec. 21 State Lease B-2388 - SE/4 of SE/4, Sec. 20 State Lease B-2388 - SE/4 of SE/4, Sec. 20 State Lease B-2498 - NE/4 of NW/4, Sec. 28 State Lease B-2498 - NW/4 of NW/4, Sec. 28 State Lease B-2498 - SW/4 of NW/4, Sec. 28

Phillips Chemical Company

Chem-Santa Fe Lease - T17S, R35E, Lea County, New Mexico State Lease B-2264 - NW/4 of SE/4, Sec. 21

An oil well is located on each of the above listed tracts. All wells produce from the Grayburg-San Andres formation in the Vacuum Pool.

Attached is a plat showing the above described tracts. There are presently 10 wells producing into the Santa Fe tank battery and only

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one well producing into the Chem-Santa Fe tank battery. If approval is granted, the Chem-Santa Fe battery will be eliminated and the one Chem-Santa Fe well will be produced into the Santa Fe battery. This proposal will reduce the operating expense and permit salvaging of the present Chem-Santa Fe battery. It is therefore in the interest of sound conservation practices.

Phillips Petroleum Company's Santa Fe Lease and Phillips Chemical Company's Chem-Santa Fe Lease both consist of several non-contiguous tracts. The above described tracts do not comprise the entirety of either of the leases; however these are the only portions of both leases that permission to commingle is being requested.

All tracts are dedicated to a common beneficiary, the Common Schools.

Phillips Petroleum Company is the operator of the Santa Fe and Chem-Santa Fe Leases. Phillips Chemical Company, owner of the Chem-Santa Fe Lease, is a wholly owned subsidiary of Phillips Petroleum Company; therefore, the ownership of both leases is considered to be common throughout. It is therefore proposed to commingle without first separately measuring the production from each lease.

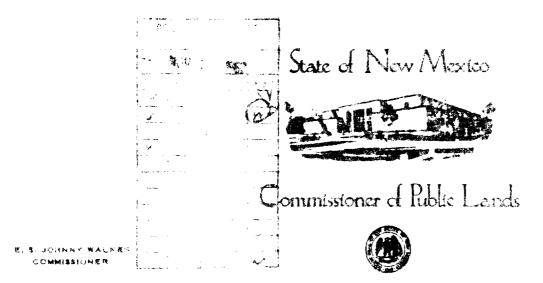
In further support of this application, Phillips Petroleum Company states the following:

- 1. Adequate facilities will be provided for individual well testing on a monthly basis.
- 2. Approval for the proposed commingling has been obtained from the Commissioner of Public Lands. A copy of Mr. Walker's letter is attached.
- 3. The commingled production will be purchased by Sinclair Crude Oil Company. They have also approved the proposed commingling.

Very truly yours,

W. C. Rodgers District Superintendent Production Department

RNH:wma Attach. cc: New Mexico Oil Conservation Commission Hobbs, New Mexico Attach.



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Ator: W. L. Fudgers

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Yes are hereby given permission to consumple production from pervise of your Santa Fe and frem-Sence for sense in accordance with your request of November F

We note that the acceage involved, that is, the tracef Sections 30, 21, 28, and 29, Township 175, Frage 200, all belongs to Common Schools and we have no concern a problem and accounting to your information, there will be it parbicular informations of values of the including of production.

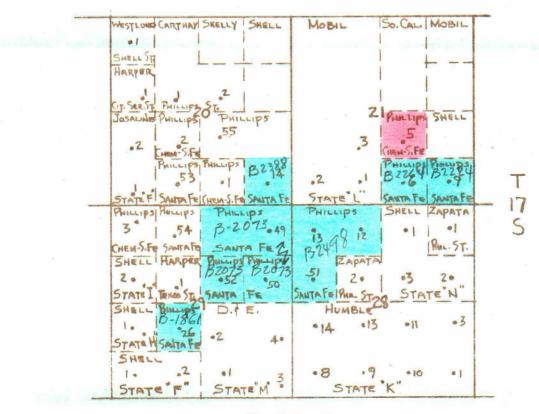
Very truly yours.

E. S. DOINNY WALFER COMMISSIONER OF DALLE LANDS By: Sector A data and TED BILPENRY, Supervisor Oil and Sas Departer of

EW/TB/(S

co: Cil Conservation Commission

(i) and Gas Accounting Commission



R-35-E

PHILLIPS PETROLEUM COMPANY REQUEST TO COMMINGLE PRODUCTION SANTA ES & CHEM-SANTA FE LEASES VACUUM SAN ANDRES POOL- LEA COUNTY, N.M.