OIL AND GAS ACCOUNTING COMMISSION
P. O. Box 450

Santa Fe, New Mexico

MEMORANDUM December 7, 1962

FROM: Oil and Gas Accounting Commission

TO: Romulo Martinez, State Land Office

This Commission has no objection to the commingling of Phillips Petroleum Leamex and Philmex Leases upon completion of well #9. However, Phillips Petroleum Company should be advised that they must notify this Commission of the commingling and the effective date of commingling.

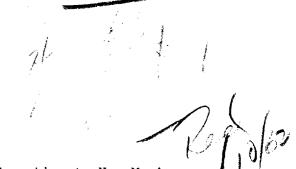
Carroll J. Lee, Executive Director



PHILLIPS DETROLEUM COMPANY

P. O. Box 2105 Hobbs, New Mexico

November 27, 1962



In re: Request for Administrative Approval for Exception to New Mexico Oil Conservation Commission Rule 309(a) - Leamex and Philmex

Leases

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

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

Gentlemen:

Phillips Petroleum Company was granted approval by Administrative Order CTB-79 to commingle Vacuum San Andres Pool production from their Philmex Lease (B-2229) in Sections 26, 35, and 36 and from their Leamex Lease (B-2148) in Section 25, all above in T-17-S, R-33-E, Lea County, New Mexico. At the time that the above approval was requested, Philmex No. 9, a San Andres test, had been staked although drilling had not commenced. It had been planned to commingle the production from Philmex No. 9 with San Andres production from the Leamex Lease. The location for Philmex No. 9 has since been moved to another section and it will now be completed as a Pennsylvanian well in the Leamex Penn Pool. Drilling at the new location has commenced.

It is requested that Administrative Order CTB-79 be cancelled and that the request as stated below be considered.

Phillips Petroleum Company requests an exception to NMOCC Rule 309(a) and requests administrative approval to commingle the production from the leases and tracts described below.

Philmex Lease - State Lease B-2229 - Section 26, T-17-S, R-33-E, Lea County, New Mexico

Leamex Lease - State Lease B-2148 - NW/4, SW/4, and SE/4, Section 23, T-17-S, R-33-E, Lea County, New Mexico.

Attached is a plat showing the above described tracts.

Phillips Petroleum Company's Philmex and Leamex Leases 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.

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

- 1. The commingled production from all wells on the subject tracts will be produced from a common source of supply, the Leamex Penn Pool.
- 2. The subject tracts are dedicated to a common beneficiary, the Common Schools.
- 3. The ownership of the tracts is common throughout. Phillips Petroleum Company is the sole working interest owner of both leases.
- 4. Adequate facilities will be provided for individual well testing on a monthly basis.
- 5. The New Mexico State Land Commissioner has been notified by certified mail of our intention to commingle production from the subject tracts. A copy of the receipt of certified mail is attached. Phillips Petroleum Company is the purchaser of crude oil from the Leamex tank battery.
- 6. If approved, the production from Philmex No. 9 will be produced into the Leamex tank battery.

Very truly yours,

W. C. Rodgers

District Superintendent Production Department

RNH:wma

cc: New Mexico Oil Conservation Commission
Hobbs, New Mexico

Attach.

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| CITY AND STATE Santa Fe, New Mexico | (Z8) |
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| FEES ADDITIONAL TO 20¢ FEE | |
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P. O. Box 2105
Hobbs, New Mexico

November 27, 1962

In re: hequest for Approval to Commingle - Leamex and Philmex Leases

The Honorable E. S. Walker Commissioner of Public Lands State Land Office Santa Fe, New Mexico

Dear Sir:

Phillips Petroleum Company was granted approval by your letter of February 15, 1962 to commingle San Andres production from State Leases Nos. B-2229 and B-2148 from wells located in Sections 25, 26, 35, and 36 of T-17-S, R-33-E. At the time that the above approval was requested, Philmex No. 9, a San Andres test, had been staked although drilling had not commenced. It had been planned to commingle the production from Philmex No. 9 with San Andres production from the Leamex Lease. The location for Philmex No. 9 has since been moved to another Section and it will now be completed as a Pennsylvanian well in the Leamex Penn Pool. Drilling at the new location has commenced.

It is requested that the above approval be cancelled and that the request as stated below be considered.

Phillips Petroleum Company requests your approval to commingle the production from the leases and tracts described below.

Philmex Lease - State Lease B-2229 - Section 26, T-17-S, R-33-E, Lea County, New Mexico

Leanex Lease - State Lease E-2148 - NW/4, SW/4, and SE/4, Section 23, T-17-S, R-33-E, Lea County, New Mexico

Attached is a plat showing the above described tracts.

Phillips Petroleum Company's Philmex and Leamex Leases both consist of several non-centiquous 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.

Movember 27, 1962 Page 2

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

- 1. The commingled production from all wells on the subject tracts will be produced from a common source of supply, the Leamex Penn Pool.
- 2. The subject tracts are dedicated to a common beneficiary, the Common Schools.
- 3. The ewnership of the tracts is common throughout. Phillips Petroleum Company is the sole working interest owner of both leases.
- 4. Adequate facilities will be provided for individual well testing on a monthly basis.
- 5. If approved, the production from Philmex No. 9 will be produced into the Leamex tank battery.

Yours very truly,

W. C. Rodgers

District Superintendent Production Department

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