



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

February 4, 1998

Phillips Petroleum Company
4001 Penbrook
Odessa, Texas 79762

Attention: Mr. Larry M. Sanders

Administrative Order No. OLM-16

Hobbs Well Nos. 1, 2, 3, and 4
Units K, L, M and N, respectively,
Section 18, T-20 South, R-37 East, NMPM,
Lea County, New Mexico

Dear Mr. Sanders:

Reference is made to your request dated August 21, 1997 for an exception to Division Rule No. 309-A to permit off-lease measurement of oil produced from the subject wells on the Hobbs Federal Lease. Inasmuch as duplicate measurement would constitute economic waste, the above named company is hereby authorized to meter the oil production from the subject wells at its Eunice Station located in Lot 12 of Section 3, Township 21 South, Range 36 East, NMPM, Lea County, New Mexico.

PROVIDED HOWEVER THAT, all production originating from the Hobbs Federal Lease shall be metered and stored in its own storage facility and no commingling of production from other sources shall be allowed.

NOTE: The operator shall notify the Hobbs District Office upon implementation of off-lease measurement operations.

Sincerely,

A handwritten signature in black ink, appearing to read "Kathleen A. Garland".

Kathleen A. Garland
Acting Director

xc: OCD-Hobbs
BLM-Carlsbad