



PHILLIPS PETROLEUM COMPANY

ODESSA, TEXAS 79762
4001 PENBROOK

EXPLORATION AND PRODUCTION GROUP
Permian Basin Region

December 16, 1994

Re: Surface Commingling
Hobbs Well Numbers
1, 2, 3, & 4
Lea County, New Mexico

State of New Mexico
Energy and Minerals Natural Resources Dept.
Oil Conservation Division
2040 S. Pacheco
Santa Fe, New Mexico 87504

Gentlemen:

Phillips Petroleum Company requests your approval to Surface Commingle the oil production from the Hobbs Lease. Well numbers 1, 2, 3, and 4b are in the Eunice Monument GB/SA Pool and well number 4a is in the Eumont Gas Pool.

Phillips has 50 percent ownership. Working interest owners will be notified by copy of this application. Oil production for these wells will be allocated by well tests. EOTT Oil Pipeline Company is the oil gatherer.

Please advise me at (915)368-1488 if you have any questions.

Sincerely,

A handwritten signature in cursive script that reads "L. M. Sanders".

L. M. Sanders, Supervisor
Regulatory Affairs

Attachments

cc: Bureau of Land Management

Hobbs Lease

Working Interest Owners

Amerada Hess Corporation
Entex Bldg., 1200 Milam St
Houston, Texas 77002

J. H. Hendrix Corporation
223 W. Wall, Ste. 525
Midland, Texas 79701

Meridian Oil, Inc.
Box 51810
Midland, Texas 79710

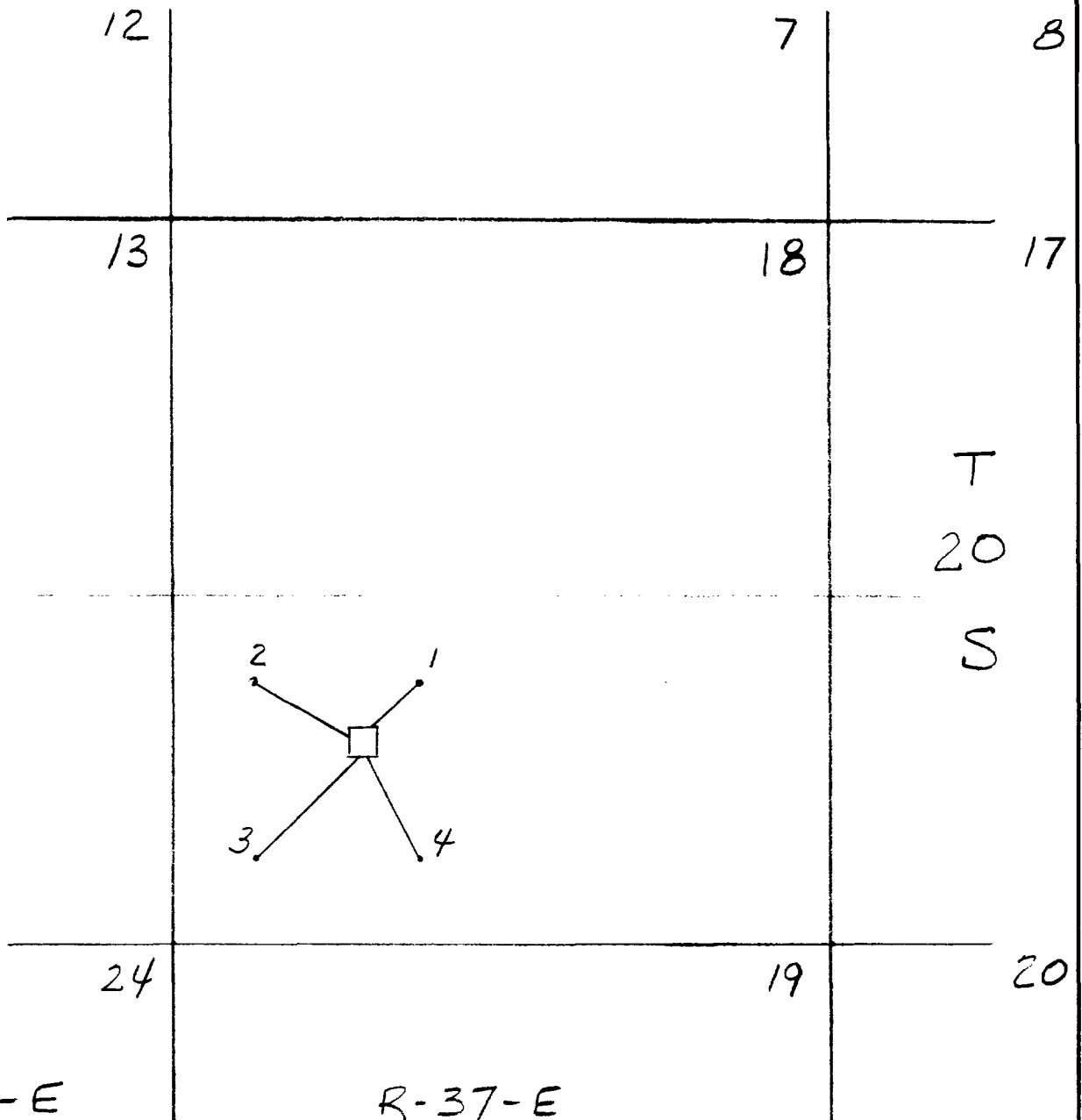
Phillips Petroleum Company
4001 Penbrook St.
Odessa, Texas 79762

HOBBS LEASE - SURFACE COMMINGLE APPLICATION



<u>WELL</u>	<u>FORMATION</u>	<u>PRODUCTION (BOPD)</u>	<u>GRAVITY API (@ 60 f)</u>	<u>PRICE (\$/BBL)</u>	<u>VALUE (\$/Day)</u>
HOBBS #1	GB-SA	13	38.0	15.30	\$198.90
HOBBS #2	GB-SA	3	38.0	15.30	\$ 45.90
HOBBS #3	GB-SA	24	38.0	15.30	\$367.20
HOBBS #4a	QUEEN	4	45.0	15.30	\$ 61.20
HOBBS #4b	GB-SA	20	38.0	15.30	\$306.00
COMMINGLE	GB-SA/QUEEN	64	38.4	15.30	\$979.20

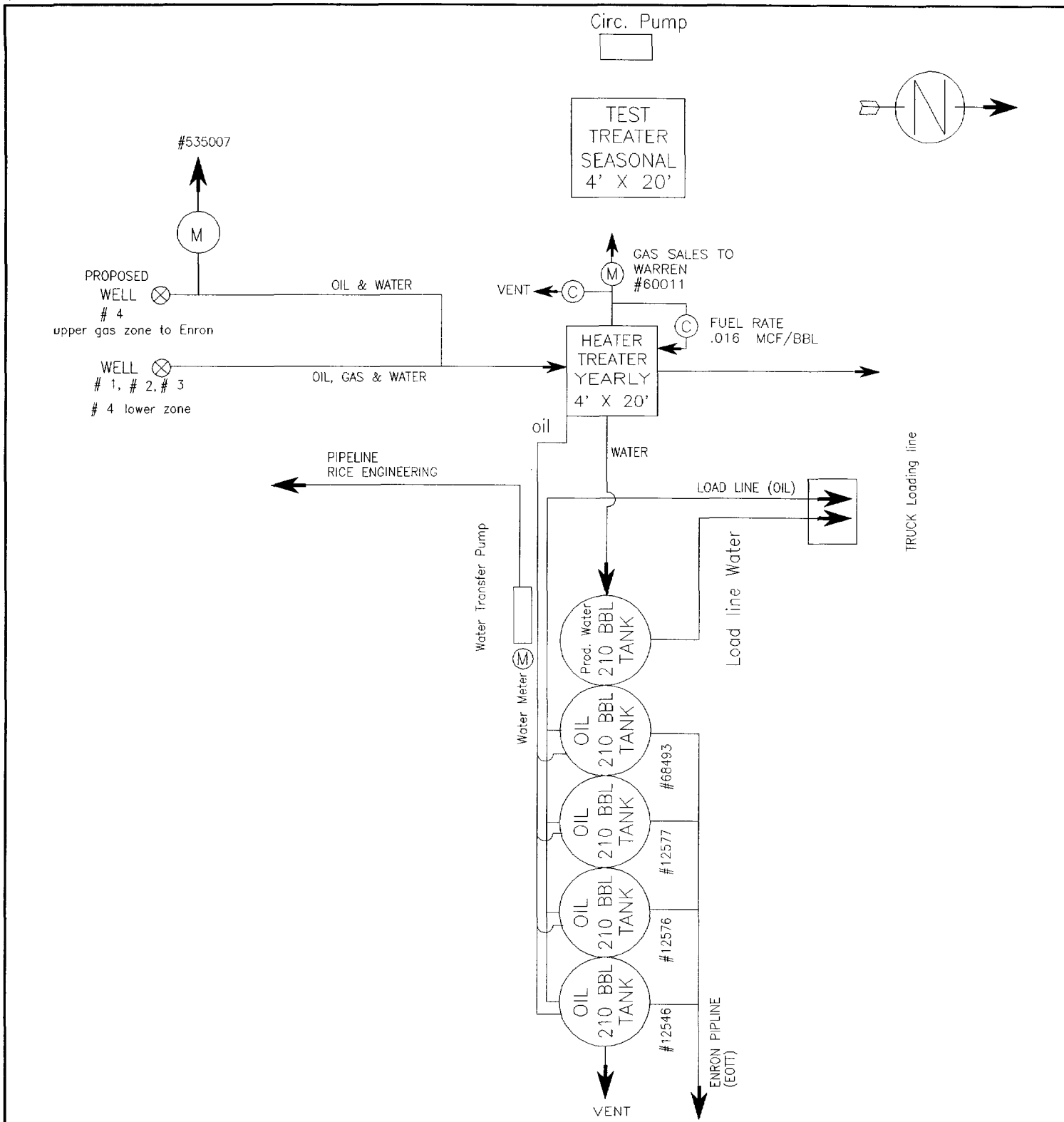
NOTE: It is anticipated that Phillips Petroleum Company will be paid the same price for the Grayburg/San Andres oil and Queen oil. No value will be lost when the oil is surface commingled.

Gas stream from the Hobbs #4a (upper gas zone) will continue to be metered and sold separately.



HOBBS #1 - 1980 FSL 1980 FWL SEC 18, T-20-S R-37-E
 HOBBS #2 - 1980 FSL 660 FWL " " "
 HOBBS #3 - 660 FSL 660 FWL " " "
 HOBBS #4 - 660 FSL 1980 FWL " " "

NO.	REVISION	BY	DATE	CHKD	APP'D
FOR BIDS	 PHILLIPS PETROLEUM COMPANY 			JA NO.	FILE CODE
FOR APPR	BARTLESVILLE, OKLAHOMA			AFE NO.	SCALE
FOR CONST	HOBBS LEASE LEA COUNTY, NEW MEXICO			NONE	
DRAWN 12-12-94 DGH				DWG NO.	
CHECKED				SH NO.	
APP'D					



NO.	REVISION	UPDATED BY	DATE	CHKD	APP'D
FOR BDS	<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;"> PHILLIPS PETROLEUM COMPANY BARTLESVILLE, OKLAHOMA </div> </div> <div style="text-align: center; margin-top: 10px;"> LEASE NAME: HOBBS LEASE LEASE CODE: 600005 NETWORK: 503 </div>	JA NO.	FILE CODE		
FOR APPR		AFE NO.	SCALE		
FOR CONST		NO			
DRAWN 7/23/93 LWS		FILE NAME: HOBBS			
CHECKED	DWG NO. 1.0				
APP'D					