



PHILLIPS PETROLEUM COMPANY

ODESSA, TEXAS 79762
4001 PENBROOK

EXPLORATION AND PRODUCTION GROUP
Permian Basin Region

September 27, 1988

Surface Commingling
Leamex and Philmex Leases
Vacuum (Grayburg-San Andres) and
Maljamar (Grayburg-San Andres) Pools
Lea County, New Mexico

State of New Mexico
Energy, Minerals Natural Resources Dept.
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

Attn: William J. LeMay
Director

*10/13/88
Order Granted
well No. 30
Leamex & Philmex
State of N.M.
Everything else in
O.R.*

Gentlemen:

Phillips Petroleum Company respectfully requests an amendment to Commingling Order No. PLC - No. 76 to surface commingle the production from our Leamex Well No. 47 and Leamex Well No. 48 with the production from the previously approved wells on the Leamex and Philmex leases. The Leamex, Well No. 47, was spudded on August 26, 1988 and the Leamex, Well No. 48, was spudded on September 2, 1988. Both wells located in Section 25, T-17-S, R-33-E, Lea County, are to be completed in the Maljamar (Grayburg-San Andres) Pool within the next few weeks. The wells presently being commingled and the newly completed wells are shown on the attached lease plat and tank battery schematic. In accordance with the provisions of Statewide Rule 303-B and Statewide Rule 309-B, pertinent information and supporting data is included herein.

1. Production from the leases will be from the Maljamar (Grayburg-San Andres) and the Vacuum (Grayburg-San Andres) Pools. Philmex Well No.'s 18 and 20 are completed in the Vacuum (Grayburg-San Andres) Pool. Philmex Well No.'s 19, 21, 23, 24, 25, 28, 30 and 31 have been redesignated from Vacuum (Grayburg-San Andres) Pool and are now in the Maljamar (Grayburg-San Andres) Pool. Leamex Well No.'s 43, 44, 47 and 48 are also completed in the Maljamar (Grayburg-San Andres).
2. Adequate test facilities will be provided as shown on the tank battery schematic.
3. Phillips owns 100% interest in the leases and is the purchaser of the commingled production. Phillips has 100% working interest and 87.5% royalty interest in the leases. The State of New Mexico Common School Land has 12.5% interest in the leases. There is no overriding royalty interest or diversity of ownership. The Commissioner of Public Lands has been notified by certified mail of the subject application.

Surface Commingling
Leamex and Philmex Leases
September 27, 1988
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Your expeditious consideration and administrative approval would be appreciated.

Very truly yours,

A handwritten signature in cursive script, reading "Larry M. Sanders".

Larry M. Sanders, Supervisor
Regulation and Proration

LMS/AP/sdb
REG/PR011/leamex

Attachments

cc: Commissioner of Public Lands
P. O. Box 1148
Santa Fe, New Mexico 87504-1148

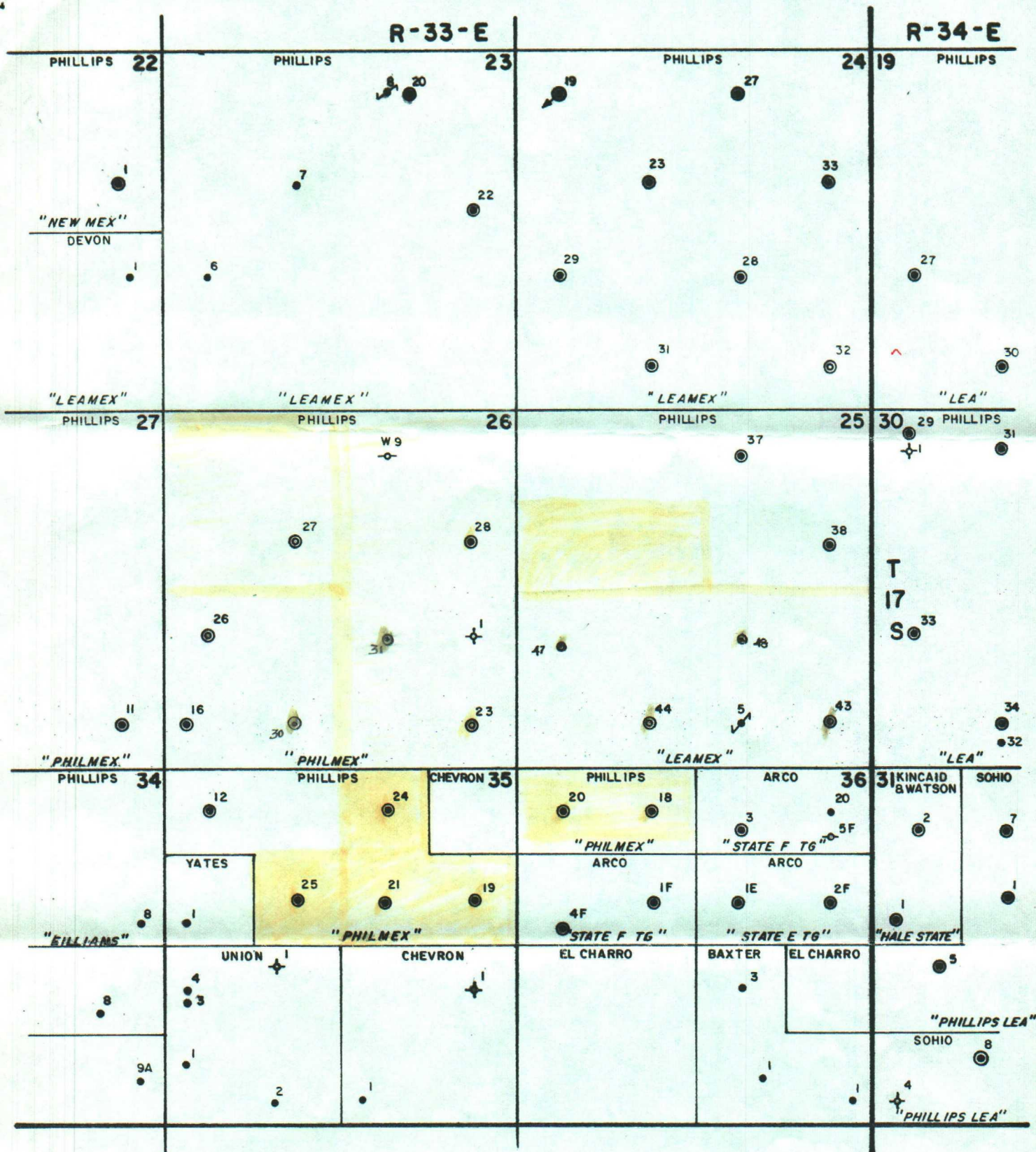
New Mexico Department of Energy and Minerals
Oil Conservation Division
P. O. Box 1980
Hobbs, New Mexico 88240

GRAVITY AND VALUE OF COMMINGLED LIQUID HYDROCARBONS

	<u>Philmex Lease</u> <u>(Maljamar Gb/SA)</u>	<u>Philmex Lease</u> <u>(Vacuum Gb/SA)</u>	<u>Leamex Lease</u> <u>(Maljamar Gb/SA)</u>	<u>Total</u> <u>Commingled</u> <u>Production</u>
Oil Gravity	37	37	37	
Value	\$15/bbl	\$15/bbl	\$15/bbl	
Oil Volume	695 BOPD (8 wells)	85 BOPD (2 wells)	320 BOPD (4 wells)	
Gravity of Commingled Oil	37	37	37	37
Value	\$15/bbl	\$15/bbl	\$15/bbl	\$15/bbl
Volume	695 BOPD (8 wells)	85 BOPD (2 wells)	320 BOPD (4 wells)	1100 BOPD

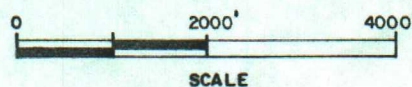
There will be no loss of actual commercial value of the commingled production (value of commingled production will equal the sum of the value of the production from each common source of supply).

REG/PRO7.1/leamex1

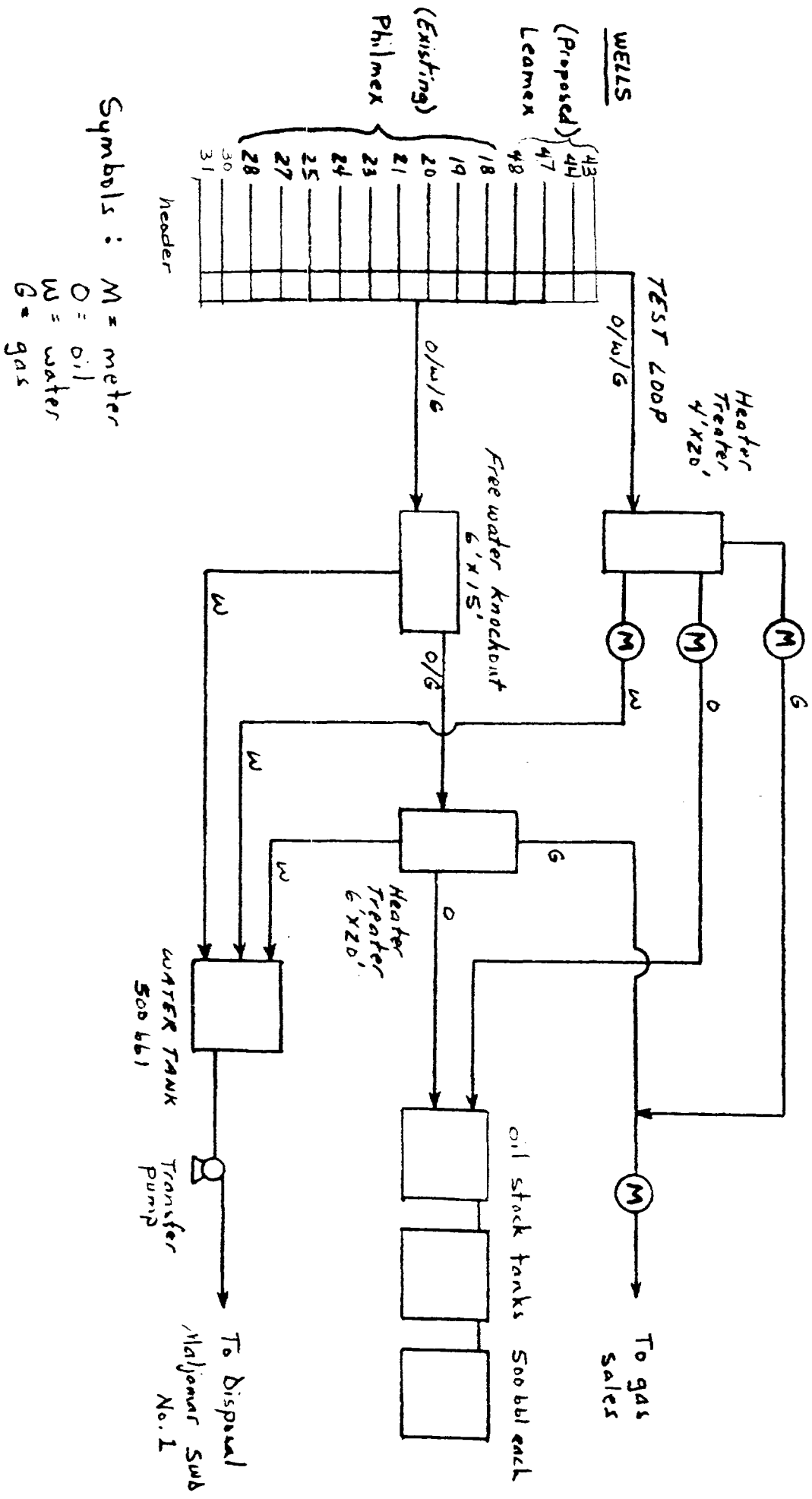


© Completed in Grayburg/San Andres

PHILLIPS PETROLEUM COMPANY
LEAMEX & PHILMEX LEASES
T-17-S, R-33-E
Lea County, New Mexico



PHILMEX TANK BATTERY No. 3 SCHEMATIC



gds Jan. 18, 1988