

Case # 1306

BEFORE THE OIL CONSERVATION COMMISSION

OF NEW MEXICO

Santa Fe, New Mexico

APPLICATION

Comes now Phillips Petroleum Company and seeks approval of the Commission of a unit agreement designated as the Hospah Unit, and in support thereof would show:

1. The lands embraced in said unit are the S/2, S/2 NW/4, W/2 NE/4, all in Section 36, Township 26 North, Range 13 West, N.M.P.M., San Juan County, New Mexico, located in the Bisti-Lower Gallup Oil Pool, as designated by the Commission.

2. All lands within the unit area are owned by the State of New Mexico, and applicant and others are the owners of oil and gas leases covering all lands in the unit area, and all owners and holders of interests in the unit area are parties to the unit agreement.

3. Said unit is necessary to allow owners to participate in a pilot liquefied petroleum gas and dry natural gas injection project in the Bisti-Lower Gallup Oil Pool, heretofore approved by the Commission in Case No. 1280 by its order No. R-1027.

4. Said unit agreement is in the interests of conservation, will prevent waste, and will not impair the rights of others, including the rights of royalty owners.

5. There is attached hereto as Exhibit A, a copy of the Hospah Unit Agreement, copy of which has heretofore been submitted to the Commissioner of Public Lands of the State of New Mexico for approval, and has been approved as to form.

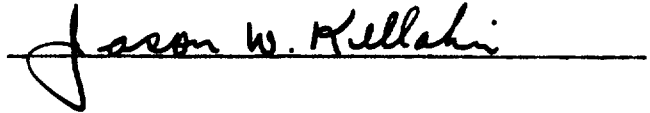
Wherefore applicant prays that this application be set for hearing before the Commission's duly appointed examiner in Santa Fe, New Mexico, as soon as may be possible, and that after notice

and hearing as required by law, the Commission enter its order approving the Hospah Unit Agreement, and for such other and further order or orders as to the Commission may seem just.

Respectfully submitted,

PHILLIPS PETROLEUM COMPANY

By: KELLAHIN & FOX
Attorneys for Applicant

A handwritten signature in cursive script, reading "Jason W. Kellahin", is written over a horizontal line.

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