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Attorneys at Law

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Area Code 505

W. Thomas Kellahin

Karen Aubrey

Jason Kellahin

Of Counsel

June 18, 1987

RECEIVED

JUN 23 1987

OIL CONSERVATION DIVISION

Mr. William J. LeMay
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87504

Re: Phillips Petroleum Application
for Special Allowable and
Downhole Commingling, Lea County

Case 9177

Dear Mr. LeMay:

Please set the enclosed application for hearing on
the next available docket now scheduled for July 15,
1987.

Very truly yours,



W. Thomas Kellahin

WTK:ca

Enc.

cc: G. R. Smith
Phillips Petroleum Company
4001 Penbrook
Odessa, Texas 79762

William Mueller
Phillips Petroleum Company
4001 Penbrook
Odessa, Texas 79762

All Parties on Exhibit "A" to Application

STATE OF NEW MEXICO
DEPARTMENT OF ENERGY AND MINERALS
OIL CONSERVATION DIVISION

RECEIVED

JUN 23 1987

IN THE MATTER OF THE APPLICATION
OF PHILLIPS PETROLEUM COMPANY FOR
SPECIAL ALLOWABLE AND DOWNHOLE
COMMINGLING, LEA COUNTY, NEW MEXICO.

OIL CONSERVATION DIVISION

CASE: 9177

A P P L I C A T I O N

COMES NOW PHILLIPS PETROLEUM COMPANY, by and through its attorneys, Kellahin, Kellahin & Aubrey and applies to the New Mexico Oil Conservation Division for approval to downhole commingle production from the Eumont-Queen Gas Pool and the Eunice Monument-Grayburg/San Andres Oil Pool for a Special Capacity Allowable for the following wells:

- (a) New Lease Well No. 1, Unit A, Section 26, T20S, R36E, NMPM, Lea County, New Mexico; and
- (b) New Lease Well No. 2, Unit H, Section 26, T20S, R36E, NMPM, Lea County, New Mexico.

and in support thereof would show:

1. Applicant is the operator of the subject wells.
2. Offsetting operators to whom notice has been provided pursuant to Division rules are as shown on Exhibit "A".
3. Applicant seeks downhole commingling of production from both the Eumont Queen Gas Pool and the Eunice Monument Grayburg/San Andres Oil Pool in order to

comply with the administrative requirements of the Division's district office.

4. Ownership for the spacing units is common.

5. Applicant seeks a special capacity allowable for production from the subject wells which applicant states will be 100 barrels of oil per day.

6. In the absence of a special capacity allowable, oil that should be produced by the subject wells will be swept beyond these wellbores because of waterflood operations.

WHEREFORE, applicant requests that the subject application be set for hearing and that after notice and hearing the application be granted.

Respectfully submitted:

By 

W. Thomas Keilahin
P. O. Box 2265
Santa Fe, NM 87504

Exhibit "A"

Chevron, U.S.A. Inc.
P. O. Box 1150
Midland, Texas 79702

Conoco Inc.
RR 12, Box 2805
Odessa, Texas 79763-9812

Zia Energy, Inc.
Box 2219
Hobbs, New Mexico 88240

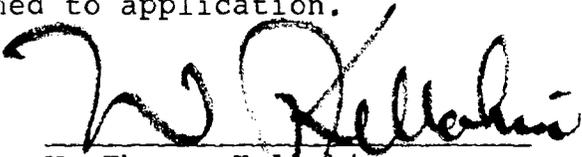
STATE OF NEW MEXICO
DEPARTMENT OF ENERGY AND MINERALS
OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION
OF PHILLIPS PETROLEUM COMPANY FOR
SPECIAL ALLOWABLE AND DOWNHOLE
LEA COUNTY, NEW MEXICO.

CASE: 9177

CERTIFICATE OF MAILING
AND
COMPLIANCE WITH ORDER R-8054

In accordance with Division Rule 1207 (Order R-8054) I hereby certify that on June 23, 1987, notice of the hearing, and a copy of this application, were mailed at least twenty days prior to hearing originally set for July 15, 1987 to the operators and interested parties listed in Exhibit "A" attached to application.


W. Thomas Kellahin

SUBSCRIBED AND SWORN to before me this 23rd day of
June, 1987.


Notary Public

My Commission Expires:

9-26-87