



MURPHY OPERATING CORPORATION

UNITED BANK PLAZA, SUITE 300  
400 NORTH PENNSYLVANIA AVENUE  
POST OFFICE BOX 2648  
ROSWELL, NEW MEXICO 88202-2648

TELEPHONE  
505 623-7210

December 23, 1986

Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87504-2088

Attention: R.K. Stamets, Director

Re: Phillips Petroleum Company  
Request for Administrative Approval  
Correspondence dated 11/26/86  
State 1-2  
Lease No. L-G888  
Well No. 1  
East Lusk - Bone Spring Field  
Lea County, New Mexico

Gentlemen:

This letter is in response to Phillips Petroleum Company's request for administrative approval for exception to Rule No. 2 of the East Lusk - Bone Spring Field Rules, thus allowing a non-standard proration unit of 120-acres as opposed to the normal spacing of 160-acres.

On behalf of Sol West III (and other lease interest holders), we hereby protest and oppose this exception.

East Lusk Bone Spring production is from dolomite reservoirs, whereas in the proposed Phillips' workover well, the reservoir objective is a low permeability sandstone. Both first and second, Bone Spring Sandstone wells typically produce on 40-acre proration units in Lea County fields, such as the Young, EK, Querecho Plains (due north of Phillips' well) and the West Tonto Bone Spring (approximatey one mile southeast of Phillips' well) fields. The 40-acre spacing patterns for these low permeability sandstone wells presumably allow for increased drainage efficiency.

If you find it agreeable, we would prefer to designate 40-acre proration units for the wells producing from the Bone Spring Sandstone on the above captioned well and surrounding acreage.

Sincerely,

on behalf of Sol West, III

LOS SIETE EXPLORATION, INC.

*George L. Scott III*  
George L. Scott, III  
Vice President

MURPHY OPERATING CORPORATION

*Mark B. Murphy*  
Mark B. Murphy  
President

GLS/MBM:dk

cc: Sol West III  
P. O. Box 10120  
El Paso, Texas 79992

Chevron USA, Inc.  
P. O. Box 670  
Hobbs, New Mexico 88240

Shell Oil Co.  
Box 2463  
Houston, Texas 77001

Sun Exploration & Prod. Co.  
Box 2880  
Dallas, Texas 75221

Davoil, Inc.  
P. O. Box 12507  
Ft. Worth, Texas 76116

J. M. Huber  
2000 West Loop South  
Houston, Texas 77027

Tenneco Oil Co.  
Box 2511  
Houston, Texas 77001

Petroleum Development Corp.  
9720-B Candelaria Rd., N.E.  
Albuquerque, New Mexico 87112

Superior Oil Company  
Box 1521  
Houston, Texas 77251

Oil Conservation Division  
P. O. Box 1980  
Hobbs, New Mexico 88240

Phillips Petroleum Company  
4001 Penbrook  
Odessa, Texas 79762  
Attention: Larry M. Sanders  
Regulation & Proration Supervisor