LEGAL NOTICE

PHILLIPS PETROLEUM COMPANY, 4001 Penbrook Street, Odessa, Texas 79762, has filed NMOCD Form C-108 (Application for Authorization to Inject) with the New Mexico Oil Conservation Division, seeking administrative approval for water alternating gas injection. The wells, East Vacuum Grayburg San Andres Unit wells #2963-005, #3236-008, #3127-007, #3127-006, #3127-005, #0527-005, are located in Townships 17 & 18 South, Range 35 East, Lea County, New Mexico.

Lease Name:	East Vacuum	Gb/SA Unit Field: Grayburg/San Andres
<u>Tract #</u>	<u>Well #</u>	Location
2963	005	S.29, T17S, R35E, 90' FSL & 50' FWL
3236	008	S.32, T17S, R35E, 2590' FNL & 50' FWL
3127	007	S.31, T17S, R35E, 2560' FSL & 2550' FEL
3127	006	S.31, T17S, R35E, 1330' FSL & 1530' FEL
3127	005	S.31, T17S, R35E, 10' FSL & 10' FEL
0524	005	S.5, T18S, R35E, 2540' FNL & 10' FWL

Injection water will be produced from the Phillips operated East Vacuum Grayburg San Andres Unit wells producing from the San Andres formation, and Ogallala fresh water from the EVGSAU water supply wells. Injection gas is recycle gas from the East Vacuum Liquid Recovery Plant plus purchased carbon dioxide (CO₂) from the Cortez pipeline. The volumes will be injected into the Grayburg/San Andres formation at a depth of 4328'- 4690', a maximum surface pressure of 1350 psig (water)/1850 psig (gas), and a maximum rate of 2200 BWPD/5000 MCFPD.

All interested parties opposing the action must file objections or requests for hearing with the Oil Conservation Division, 1220 S. Saint Francis Drive, Santa Fe, New Mexico 87505, within 15 days. Additional information can be obtained by contacting L. M. Sanders, Supervisor, Regulation/Proration, at 4001 Penbrook Street, Odessa, Texas 79762, or (915) 368-1488.