

CTB

Gulf Oil Exploration and Production Company

R. C. Anderson
PRODUCTION MANAGER
HOBBS AREA

May 8, 1984

P. O. Box 670
Hobbs, NM 88240

Re: Lea "VF" State Tank Battery
Section 16-T14S-R33E
Lea County, New Mexico
Proposed Surface Commingling
of Product from the Lea "AAY"
State Lease - Amended Commingling
Order CTB-303

OK

Mr. Joe D. Ramey
Energy and Minerals Department
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Dear Sir:

In order to avoid considerable expense in constructing and maintaining a new tank battery for the subject lease, Gulf hereby seeks an exception to Rule 309B. This will allow Gulf to commingle production from the Lea "AAY" State, Lea "CK" State (NCT-B) and Lea "VF" State Leases. All wells will be tested periodically for allocation of production.

The attached tabulations shows the volumes, gravities, and monetary values of the liquid hydrocarbons from individual pools, as well as commingled production. The tabulation also shows total average daily production for a 2 month period and the results of recent production tests for the new completion. The calculated revenue from the commingled production is approximately \$3.15 per day more than the total revenue from the individual pools.

Also attached is a schematic diagram of the storage facilities for the commingled production and a lease plat. Gulf Crude Supply has agreed to purchase the commingled production as proposed herein.

The commingling proposal is in the interest of conservation in that it prevents unnecessary waste and production expense.

Yours very truly,


R. C. ANDERSON

CNB/skc
Att'd

cc: OCD-Hobbs
J. R. Frank-Midland

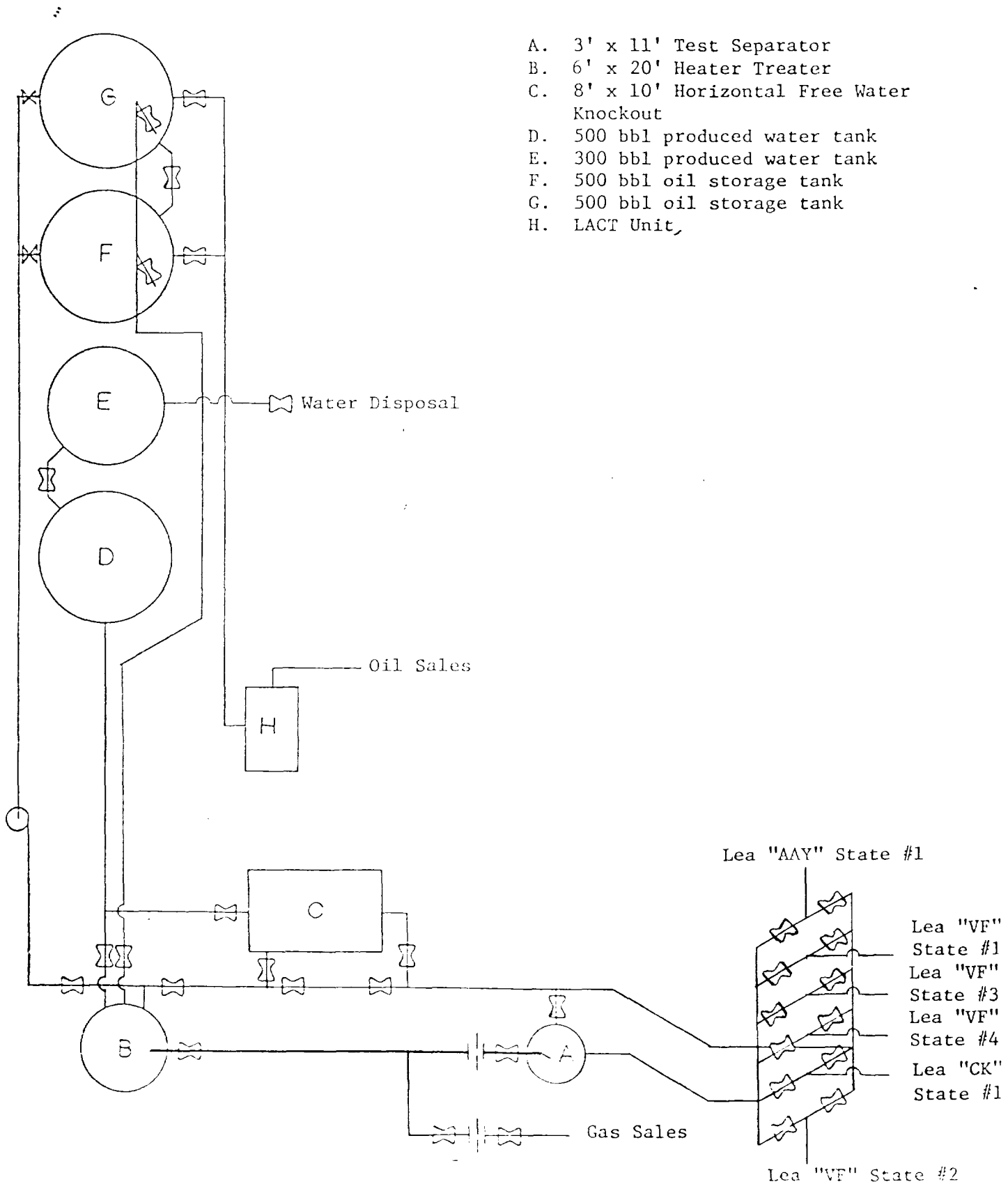


LEA "VF" STATE TANK BATTERY
 Section 16-T14S-R33E
 Lea County, New Mexico

<u>Wells and Pools</u>	<u>Production</u>		<u>Total</u>	<u>Average BOPD</u>
	<u>Feb. 84</u>	<u>Mar. 84</u>		
Lea "AAY" State #1 Saunders Upper Permo Penn				225
Lea "VF" State #1, 2, 3, 4 and Lea "CK" State (NCT-B) #1 Saunders Upper Permo Penn	11,273	12,997	24,270	405

<u>Lease</u>	<u>BOPD</u>	<u>Gravity</u>	<u>\$/Bbl</u>	<u>\$/Day</u>
Lea "AAY" State #1	225	38.9	\$28.98	\$ 6,520.50
Lea "VF" State, Lea "CK" State (NCT-B)	405	42.7	\$29.05	\$11,765.25
Total				\$18,285.75
Commingled	630	41.3	\$29.03	\$18,288.90
			Difference/Day	+3.15

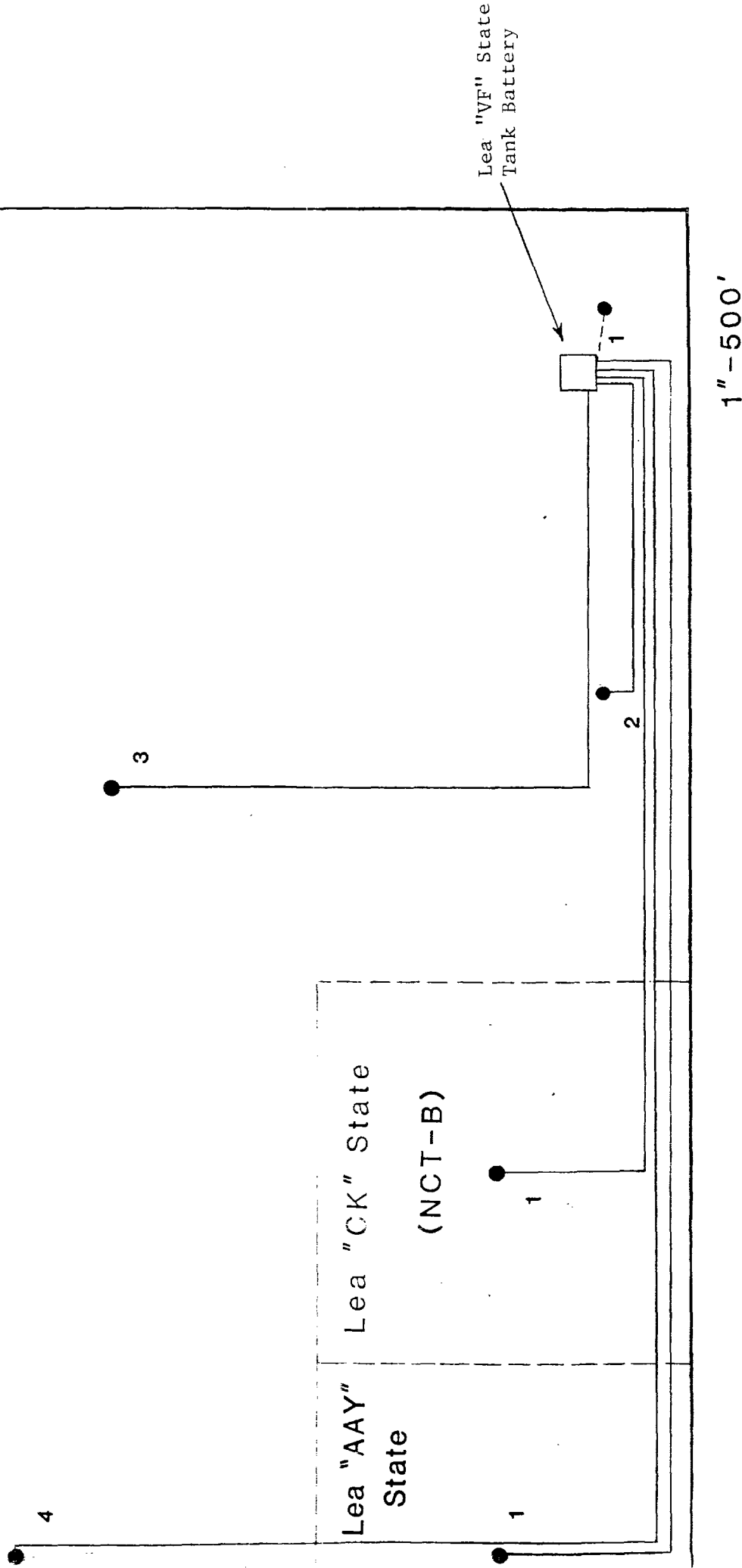
LEA "VF" STATE TANK BATTERY
 Section 16-T14S-R33E
 Lea County, New Mexico



Lea "CK" State (NCT-B) and Lea "VF" State
Section 16-T14S-R33E
Lea County, New Mexico

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Lea "VF" State





Lea AAY Lsu File

FROM J. E. Baker

AT Midland

IN REPLY
REFER TO

TO R. C. Anderson

AT Hobbs, New Mexico

DATE 5-1-84

The Crude Supply and Transportation Department agrees to purchase the commingled Saunders (Permo Penn. Upper) Pool production on the Lea "VF" State, Lea "CK" (NCT-B), and the Lea "AAY" State leases. (Commingling Order CTB-299)

Jim Baker
J. E. Baker

JEB:cs