

CAMPBELL & HEDRICK

P. O. BOX 401

424 MID AMERICA BLDG.

MIDLAND, TEXAS 79701

December 8, 1971

Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico

Re: Application for approval to commingle oil produced from Drinkard and Langlie Mattix pools underlying Campbell & Hedrick Christmas Lease, W/2 of SE/4 of Section 17, T-22S, R-37E, Lea County, New Mexico

Gentlemen:

Campbell & Hedrick herewith makes application for exception to applicable rules and regulations of the New Mexico Oil Conservation Commission to commingle crude produced from Drinkard and Langlie Mattix pools underlying such lease. Campbell & Hedrick request that this be done administratably.

Campbell & Hedrick requests exception to:

- (1) NMOCC'S Rule 303 which prohibits the comingling of oil between pools.

In support of this application Campbell & Hedrick states the following:

- (1) Applicant is the owner and operator of the Campbell & Hedrick Christmas lease, which consists of the W/2 of SE/4 of Section 17, T-22S, R-37E, Lea County, New Mexico.
- (2) There is no diversity of ownership underlying the above described lease.
- (3) Applicant proposes to commingle the Drinkard and Langlie Mattix crudes without prior measurement and allocate production on the basis of periodical individual well tests as the Commission may prescribe.
- (4) The granting of this application is in the interest of conservation and will protect correlative rights.

potential

*72 bags
-1- 123.7 MCF
100 bwp &*

1718 GOR

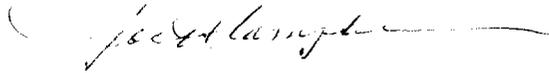
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Campbell & Hedrick Christmas Lease

- (5) The actual commercial value of the resulting commingled crude will be more than the sum of the values of the production from each separate source of supply.
- (6) Sixty day production history can not be furnished as Christmas #2 is a new well. Christmas #1 produced 387 barrels over last sixty days.
- (7) No single well on this lease is capable of producing top allowable.

Very truly yours,

CAMPBELL & HEDRICK



Joe H. Campbell
Pet. Engr.

JHC/pk

Encls:

- 3 Copies Sixty Day Production History
- 3 Copies Christmas Lease Well Plat

SIXTY DAY PRODUCTION HISTORY

CAMPBELL & HEDRICK CHRISTMAS LEASE

Sec. 17, T-22S, R-37E

<u>CHRISTMAS #1 DRINKARD</u>	<u>TOP ALLOWABLE</u>	<u>PRODUCED</u>	<u>GRAVITY</u>	<u>VALUE</u>
September 1971	3720	215	34.3	\$715.95
October 1971	<u>3844</u>	<u>172</u>	34.6	<u>572.76</u>
	7564	387		\$1,288.71

CHRISTMAS #2 LANGLIE MATTX

This is a new well but is not capable of making top allowable. No sixty day production period.

REVENUE PAY INFORMATION HISTORY

OPERATIONAL & FINANCIAL CRITERIA PLEASE

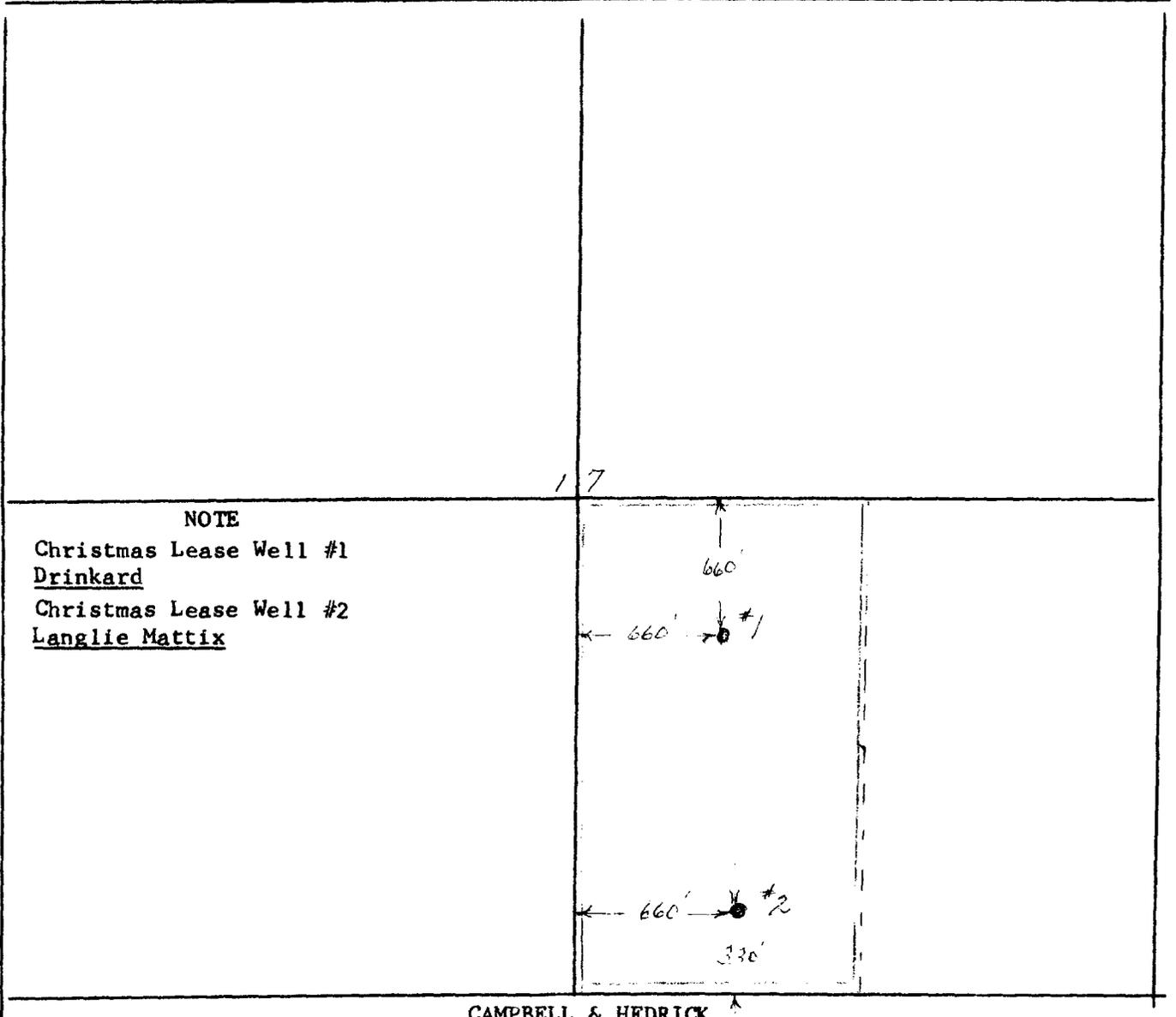
Form 1041-SSS, R-37E

<u>REVENUE PAY INFORMATION</u>	<u>OPERATIONAL</u>	<u>FINANCIAL</u>	<u>CRITERIA</u>	<u>REVENUE PAY INFORMATION</u>
20.00%	20.0	20.0	20.0	20.00%
<u>20.00%</u>	<u>20.0</u>	<u>20.0</u>	<u>20.0</u>	<u>20.00%</u>
21,288.71	287	287	287	21,288.71

REVENUE PAY INFORMATION

This is a summary of the information provided in the above table. It is not intended to be a substitute for the information provided in the above table.

"N"

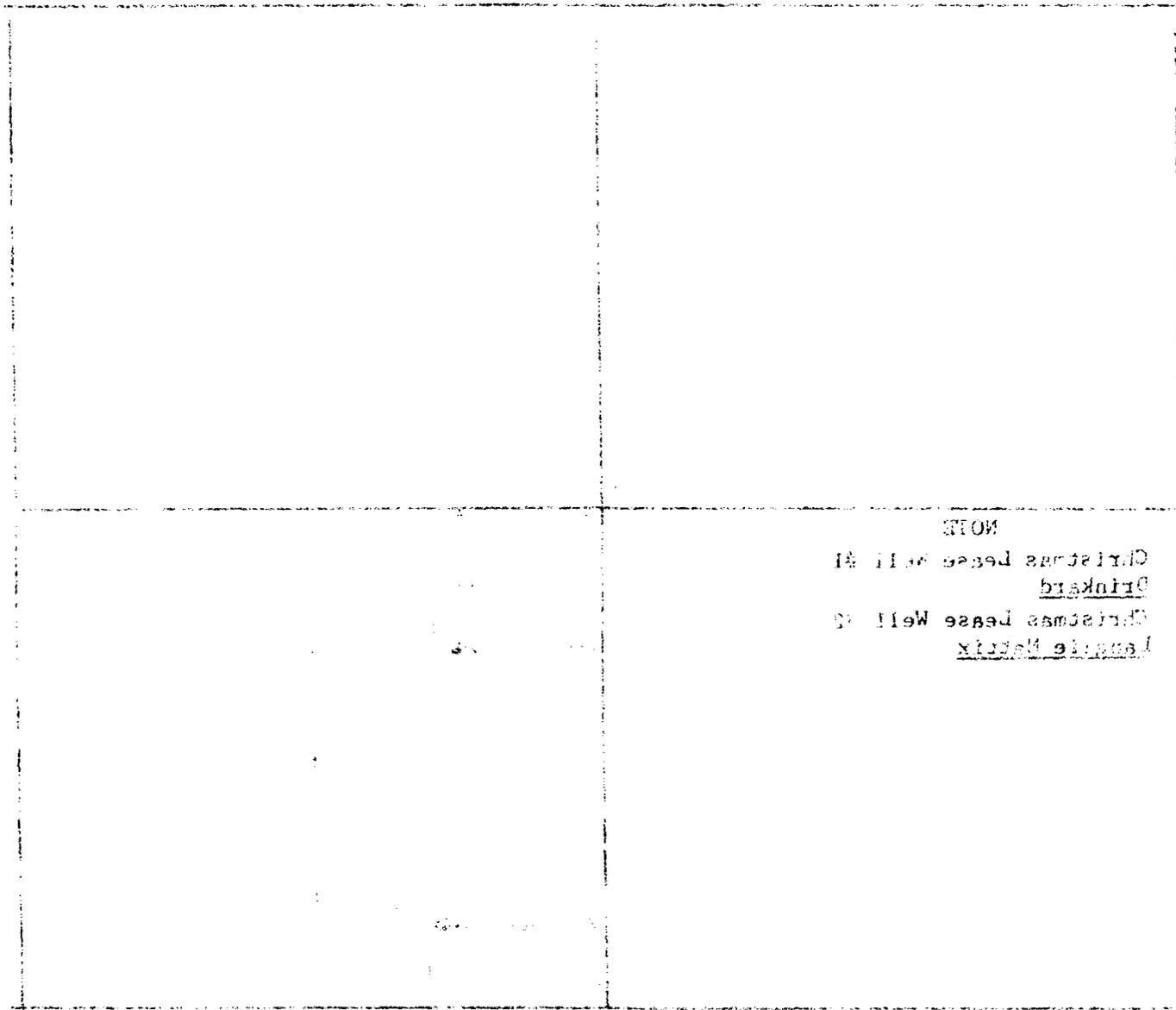


NOTE

Christmas Lease Well #1
Drinkard
Christmas Lease Well #2
Langlie Mattix

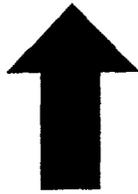
CAMPBELL & HEDRICK
SEC. 17, T-22S, R-37E
LEA COUNTY, NEW MEXICO

CHRISTMAS



NOTE
 Christmas Lease Well #1
Drinking
 Christmas Lease Well #2
Landle Matrix

CHRISTMAS
 DEW COUNTY, NEW MEXICO
 SEC. 17, T-22S, R-37E
 CAMPBELL & HEDRICK



LTR



Job separation sheet

NEW MEXICO OIL CONSERVATION COMMISSION
POST OFFICE BOX 2088
SANTA FE, NEW MEXICO 87501

ADMENDMENT
COMMINGLING ORDER PC-433

Company Campbell & Hedrick
Address P. O. Box 401
City, State, Zip Midland, Texas 79701

Attention: Mr. Joe H. Campbell

Lease Name: Christmas
Description: W/2 SE/4 Sec. 17, T-22-S, R-37-E

The above-named company is hereby authorized to commingle production from the following pools

Eumont and Drinkard (prior to this amendment, order authorized commingling Langlie Mattix and Drinkard)
in a common tank battery, and to determine the production from each pool by

_____ separately metering the production from each pool prior to commingling

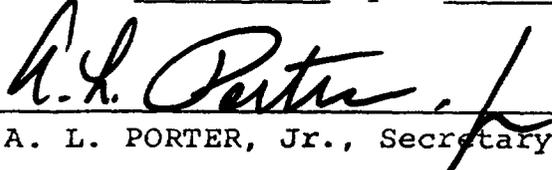
_____ separately metering the production from
and determining the
production by the subtraction method

x well tests (if this method is to be authorized, all commingled production must be of marginal nature; further, the operator shall notify the Santa Fe Office of the Commission in the event any well producing into the commingled battery becomes capable of top allowable production, at which time the Commission will amend this order or take such other action as may be appropriate)

Note: This installation shall be installed and operated in accordance with the applicable provisions of Rule 303 of the Commission Rules and Regulations and the Commission "Manual for the Installation and Operation of Commingling Facilities." It is the responsibility of the producer to notify the transporter of this commingling authority.

REMARKS: Wells must be tested monthly until productivity from each zone is less than 50% of top pool allowable.

DONE at Santa Fe, New Mexico, on this 22nd day of December 1971.


A. L. PORTER, Jr., Secretary-Director