

CAMPBELL & HEDRICK
P. O. BOX 401 424 MID AMERICA BLDG.
MIDLAND, TEXAS 79701

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OIL CONSERVATION COMM.
SANTA FE

December 20, 1971

Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

RE: Application for approval to commingle oil produced from Drinkard and Eumont 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 apply for an amendment to Commission's Order No. PC-433, which authorized the commingling of Drinkard and Langlie Mattix production for our Christmas Lease, located in Section 17, T-22S, R-37E. Since Well No. 2 is in the Eumont Pool rather than Langlie Mattix, approval is requested to commingle Drinkard and Eumont pools.

Campbell & Hedrick request exception to:

- (1) NMOCC'S Rule 303 which prohibits the commingling 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 Eumont crudes without prior measurement and allocate production on the basis of periodical individual well tests as the Commission may prescribed.
- (4) The granting of this application is in the interest of conservation and will protect correlative rights.

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Campbell & Hedrick - Christmas #2 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 the last sixty days.
- (7) No single well on this lease is capable of producing top allowable.

Yours very truly,

CAMPBELL & HEDRICK

Joe H. Campbell
Joe H. Campbell
Pet. Eng.

JHC/pk