

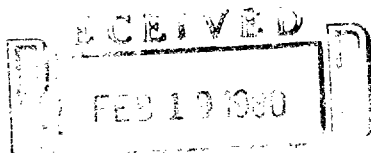
Gulf Oil Exploration and Production Company

R. C. Anderson
PRODUCTION MANAGER, HOBBS AREA

February 15, 1980

P. O. Box 670
Hobbs, NM 88240

Re: C. E. LaMunyon Lease, Tank Battery
No. 1, Section 28-T23S-R37E, Lea
County, New Mexico, Proposed Sur-
face Commingling of Undesignated
Imperial Tubb Drinkard and Teague
Blinebry and Abo Pools



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 amendment to Administrative Order PC-570. This amendment will allow Gulf to surface commingle newly developed Undesignated Imperial Tubb Drinkard Oil from C. E. LaMunyon Well No. 46 with commingled Teague Blinebry Oil from C. E. LaMunyon Wells No. 14, 20, 21, 22, 23, 24, 25, 26, 28, 29, 30, 32, 33, 34, 35, 37, 38, 39, 41, 42 and 44 and Teague Abo Oil from C. E. LaMunyon Well No. 48. All wells will be tested periodically for allocation of production.

The attached tabulation 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 61 day period and the results of recent production tests for the new completion.

The calculated revenue from the commingled production is approximately 49 cents per day less 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. Shell Pipeline Corporation has agreed to purchase the commingled oil as proposed herein.

The C. E. LaMunyon lease is on federal lands (Federal Lease LC-030187). The U. S. Geological Survey has consented to the proposed commingling per conversation between Gulf's R. H. Battey and Mr. Jerry Long of the U.S.G.S. on February 8, 1980.

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

Yours very truly,


R. C. ANDERSON

Attachments

RHB/jr



Oil Conservation Division
P. O. Box 1980
Hobbs, NM 88240

A DIVISION OF GULF OIL CORPORATION

GULF OIL CORPORATION

C. E. LaMUNYON LEASE, TANK BATTERY NO. 1
 Section 28-T23S-R37E
 Lea County, New Mexico

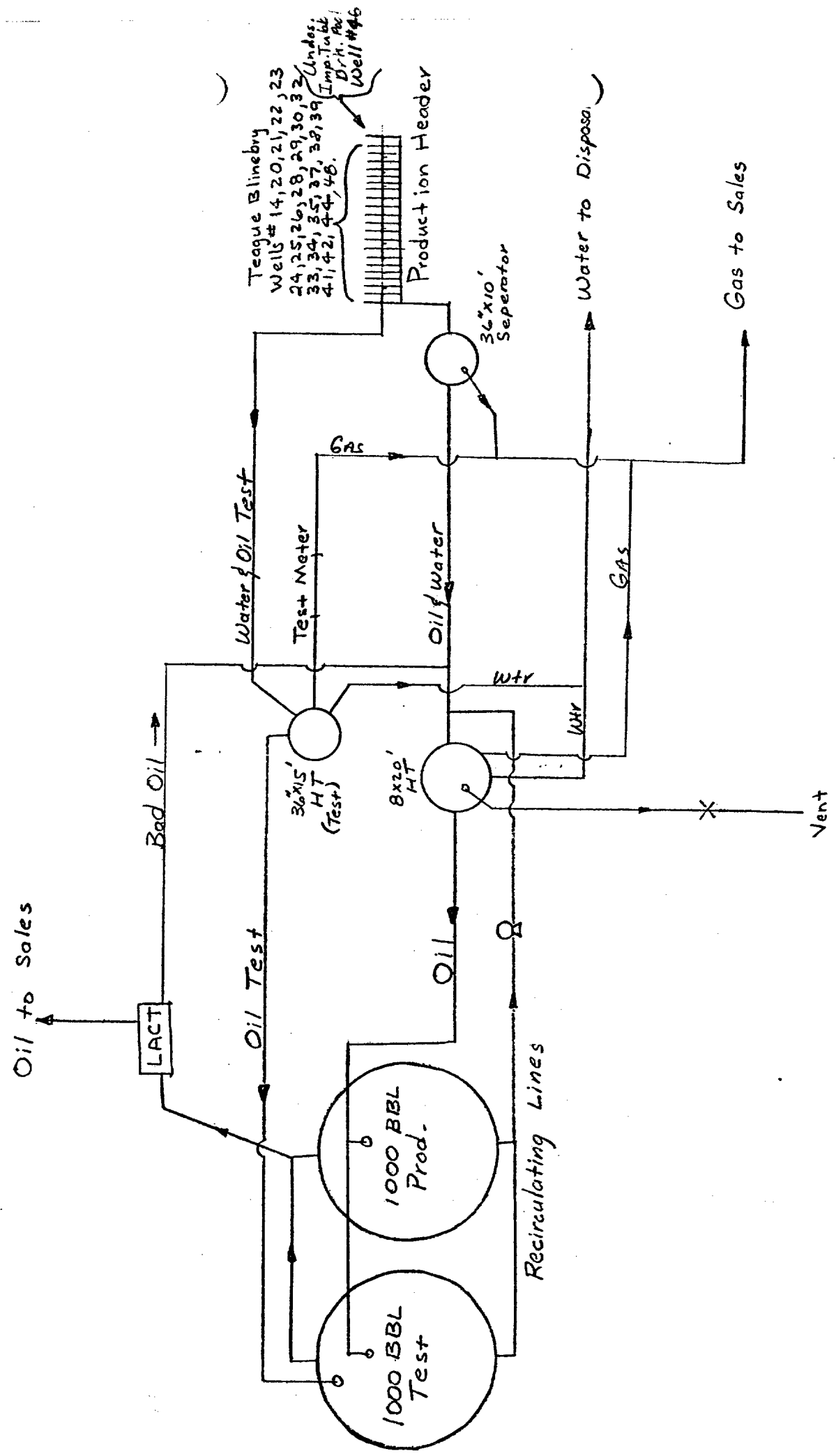
<u>Wells and Pool</u>	<u>Production</u>		<u>Total</u>	<u>Average BOPD</u>
	<u>Nov 79</u>	<u>Dec 79</u>		
C. E. LaMunyon #14, 20, 21, 22, 23, 24, 25, 26, 28, 29, 30, 32, 33, 34, 35, 37, 38, 39, 41, 42 and 44 Teague Blinebry Pool	2,893	2,728	5,621	92.1
C. E. LaMunyon #48 Teague Abo Pool	160	100	260	4.3
C. E. LaMunyon #46 * Undes. Imperial Tubb Drinkard Pool	-	-	-	6.2

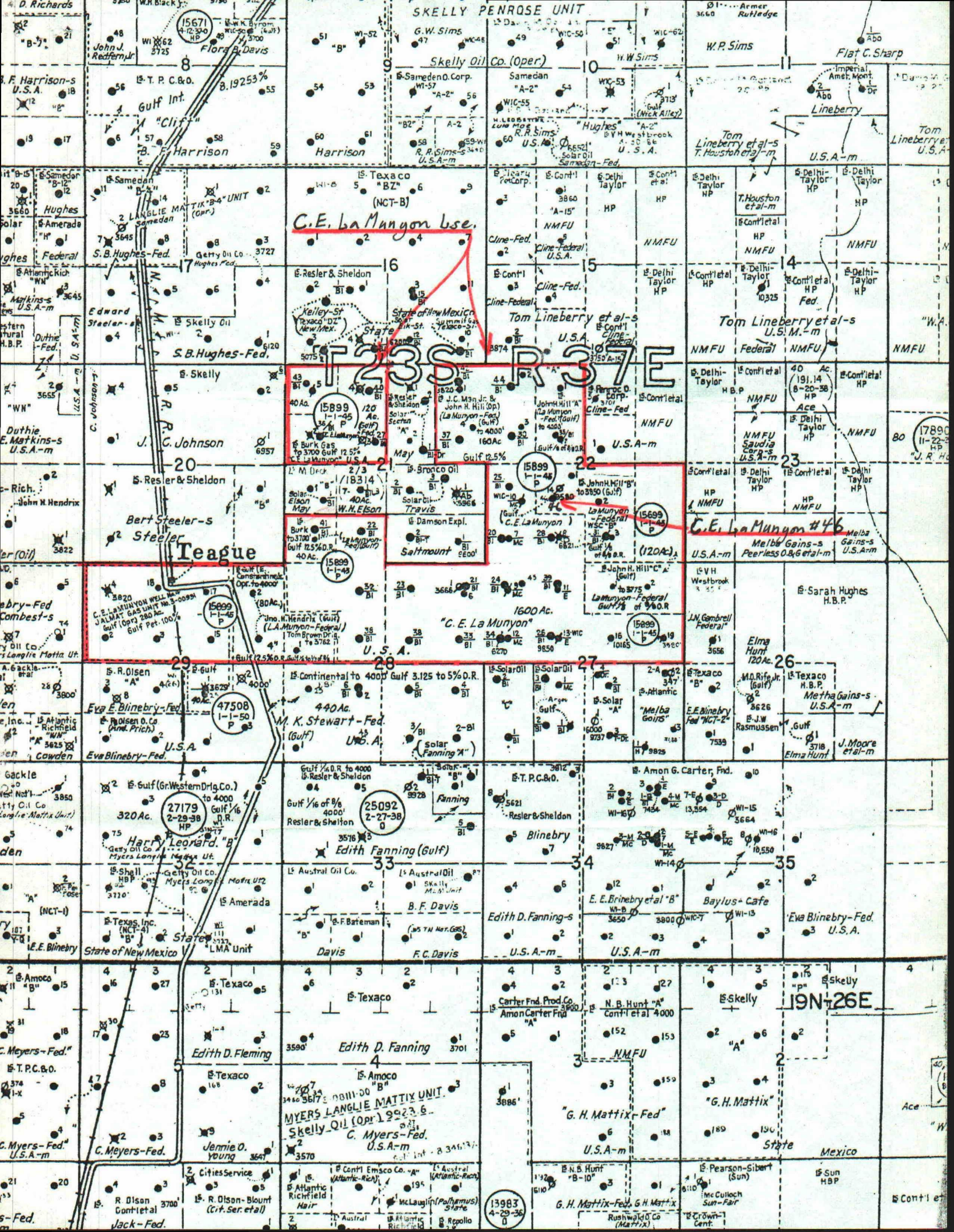
*Average Production for December '79

<u>Pool</u>	<u>BOPD</u>	<u>Gravity</u>	<u>\$/Bbl</u>	<u>\$/Day</u>
Teague Blinebry	92.1	38.5	\$ 40.38	\$ 3,718.99
Teague Abo	4.3	35.7	39.58	170.20
Undes. Imperial Tubb Drinkard	<u>6.2</u>	<u>36.9</u>	<u>39.69</u>	<u>246.08</u>
TOTAL	102.6			\$ 4,135.27
Commingled	102.6	38.2	\$ 40.30	\$ 4,134.78
		Difference Per Day		(\$ - 0.49)

Gulf Oil Corporation

Proposed Commingled Tank Battery
C.E. LaMunyon Btry # 1
Sec 28-T23S-R37E, Lea Co, NM





CC: John Allen

Shell Oil Company

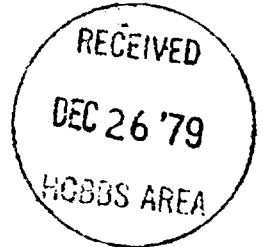


Two Shell Plaza
P.O. Box 2099
Houston, Texas 77001

December 20, 1979

Gulf Oil Corporation
ATTN Mr. R. C. Anderson
P. O. Box 670
Hobbs, NM 88240

Name	Init.
Area Mgr	
Area Engr	
Area Geol	
Area Prod Supt	
Area Drig Supt	
Area Fin Dir	
CS	
RHB	
File	



Gentlemen:

C. E. LAMUNYON LEASE
TEAGUE BLINEBRY, ABO, IMPERIAL TUBB DRINKARD POOLS
LEA COUNTY, NEW MEXICO

Per phone conversation Henry/Cook of December 19, 1979, we are agreeable to commingling Imperial Drinkard Tubb production into the existing battery on the subject lease. Shell will continue to purchase the commingled production.

Yours very truly,

F. D. Couvillon, Supervisor
Field Operations - Crude Oil Supply
Operations-Domestic Raw Materials Supply

SEC/dg

cc: Gulf Oil Corporation
ATTN Mr. Bob Henry
719 Gulf Building
Midland, TX 79702