

Gulf Oil Exploration and Production Company

R. C. Anderson
PRODUCTION MANAGER, HOBBS AREA

January 26, 1982

P. O. Box 670
Hobbs, NM 88240

Re: R. R. Bell (NCT-E) Lease
Tank Battery, Sec. 11-T21S-R36E
Lea County, NM Proposed Surface
Commingling of Production from
the Drinkard and Eunice-Monument Pools

PC-1

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 303A. This will allow Gulf to commingle production from the Drinkard and Eunice Monument pools. 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 2 month period and the results of recent production tests for the new completion. The calculated revenue from the commingled production is approximately 6 cents 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. Shell Pipeline Corporation 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
R. C. ANDERSON

MWC/skj

cc: Oil Conservation Division-Hobbs
C. F. Kalteyer-Midland



Gulf Oil Exploration and Production Company

FEB 1 9 57 AM '82

R. C. Anderson
PRODUCTION MANAGER, HOBBS AREA

STATE
CAP

January 29, 1982

P. O. Box 670
Hobbs, NM 88240

Re: R. R. Bell (NCT-E) Lease
Tank Battery, Sec. 11-T21S-R36E
Lea County, NM Proposed Surface
Commingling of Production from
the Drinkard and Eunice-Monument Pools

00011

Commissioner of Public Lands
Oil and Gas Division
P. O. Box 1148
Santa Fe, NM 87501

Attention: Mr. Ray D. Graham

Gentlemen:

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 303A. This will allow Gulf to commingle production from the Drinkard and Eunice Monument Pools. All wells will be tested periodically for allocation of production.

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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 production as proposed herein.

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

Approved <u>2/4/82</u>
<i>Alfred Armijo</i>
COMMISSIONER OF PUBLIC LANDS

Yours very truly,

R. C. Anderson
R. C. ANDERSON

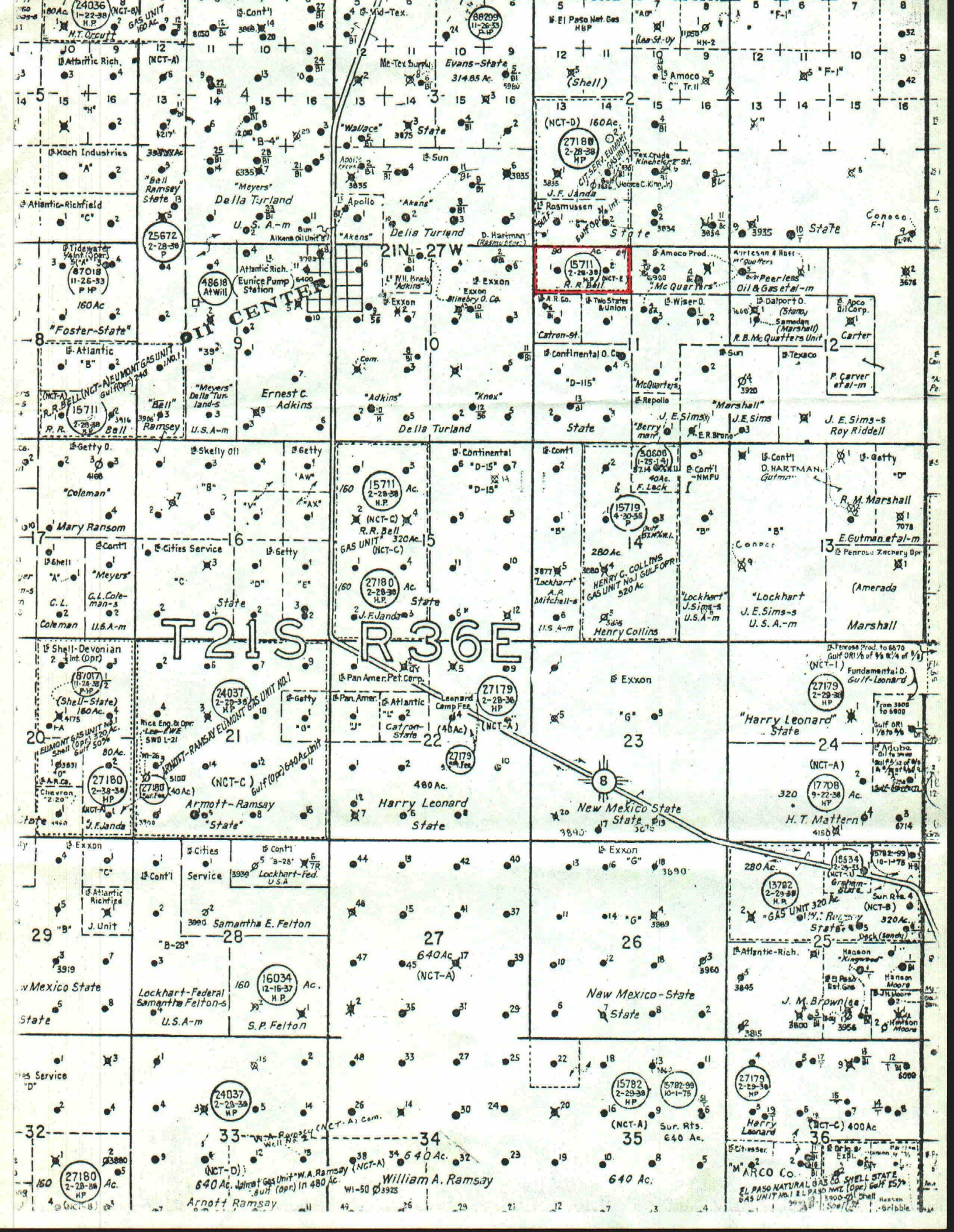
MWC/skj

Att'd - in addition to above documents, check in the amount of \$10.00 for filing fee is also attached.



R. R. Bell (NCT-E) Lease, Tank Battery
Section 11-T21S-R36E
Lea County, New Mexico

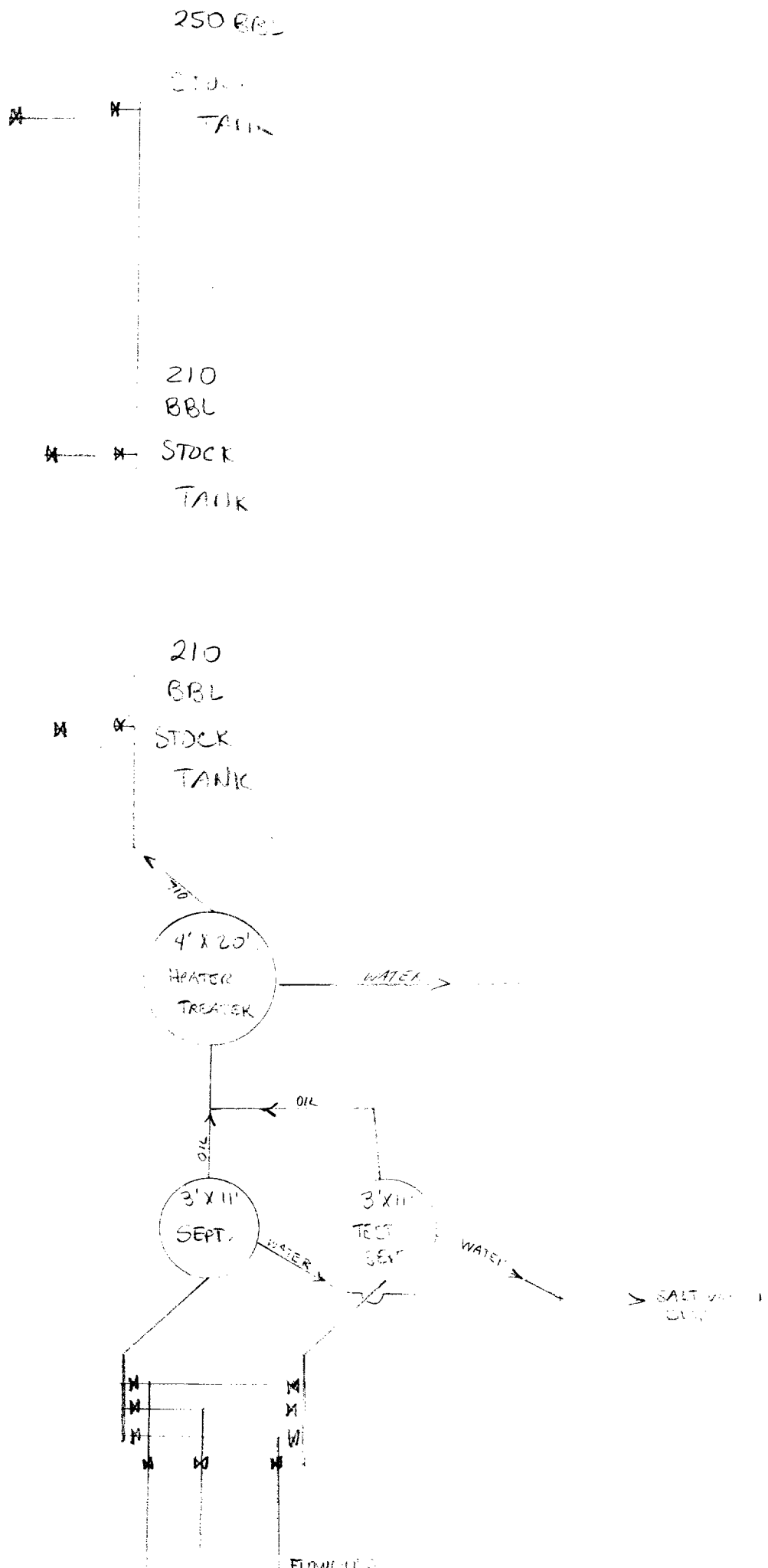
<u>Wells and Pool</u>	<u>October, 1981</u>	<u>November, 1981</u>	<u>Total</u>	<u>Average BOPD</u>
R.R. Bell (NCT-E) #4 Drinkard	-	-	-	6
R.R. Bell (NCT-E) #1,2 Eunice-Monument	180	191	371	6
	<u>BOPD</u>	<u>Gravity</u>	<u>\$/Bbl</u>	<u>\$/Day</u>
Drinkard	6	41.7	\$35.00	\$210.00
Eunice-Monument	6	31.7	34.81	208.86
Total				\$418.86
Commingled	12	36.7	34.91	\$418.92
			Difference	(+0.06)



GULF OIL CORPORATION

SCHEMATIC TANK BATTERY DIAGRAM

R. R. Bell (NCT-E) Lease

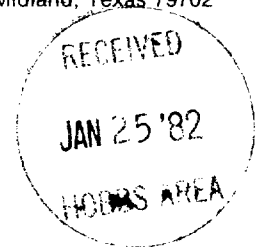


Shell Oil Company



Petroleum Building
P.O. Box 1509
Midland, Texas 79702

January 22, 1982



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

Gentlemen:

GULF OIL CORPORATION
R. R. BELL NCT-E LEASE
EUNICE MONUMENT (GRAYBURG-SAN ANDRES),
DRINKARD FIELD
LEA COUNTY, NEW MEXICO
SHELL I.D. #X88756A00

This is to confirm the phone conversation between your Mr. Jim Baker and the undersigned concerning the subject lease.

As discussed, we will continue to purchase the commingled production from the Eunice Monument (Grayburg-San Andres), Drinkard formations.

Yours very truly,

A handwritten signature in black ink, appearing to read "R. R. Minus, Jr." with a stylized flourish at the end.

R. R. Minus, Jr.
Crude Oil Representative
Midland Office

RRM:ec

cc: Gulf Oil Corporation
Crude Oil Department
P. O. Box 1150
Midland, Texas 79702