

Gulf Oil Exploration and Production Company

R. C. Anderson
SPECIAL AGENT IN CHARGE
HOBBS AREA

December 20, 1982

P. O. Box 670
Hobbs NM 88240

Re: L. R. Chamberlain Tank Battery
Section 14-T15S-R37E - Proposed
Surface Commingling of Denton
Devonian and Denton Wolfcamp Prod.

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 maintaining two tank batteries for the subject lease, Gulf hereby seeks an exception to Administrative Rule #303. This will allow Gulf to commingle production from the Denton Devonian and Wolfcamp 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.

The calculated revenue from the commingled production will be the same as the current revenue, due to both pools having greater than 40 API gravities.

Also attached is a schematic diagram of the storage facilities for the commingled production and a lease plat. Shell Oil Company has agreed to purchase the commingled production 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 10.21-82
for R. C. ANDERSON

TSM/skc
Att'd

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



A DIVISION OF GULF OIL CORPORATION

L. R. CHAMBERLAIN TANK BATTERY
 Section 14-T15S-R37E
 Lea County, New Mexico

<u>WELLS AND POOL</u>	<u>Production</u>		<u>Total</u>	<u>Average BOPD</u>
	<u>Oct 82</u>	<u>Nov 82</u>		
L. R. Chamberlain #1 Denton Devonian	842	737	1579	26
L. R. Chamberlain #2, 3, 4, & 5 Denton Wolfcamp	2991	2663	5654	93

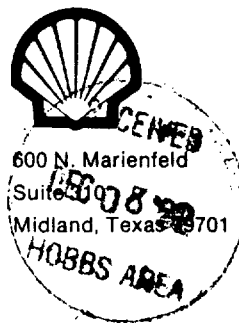
<u>Pool</u>	<u>BOPD</u>	<u>Gravity</u>	<u>\$/Bbl</u>	<u>\$/Day</u>
Denton Devonian	26	42	\$31.00	\$ 806.00
Denton Wolfcamp	<u>93</u>	<u>41</u>	<u>31.00</u>	<u>2883.00</u>
Total				\$3689.00
Commingled	119	41.22	31.00	\$3689.00
			Difference:	\$ 0

~~R.O.P.~~ GUM

R.O.P.

W222-5222

Shell Oil Company



December 6, 1982

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

RECEIVED
OIL CONSERVATION DIVISION
SANTA FE

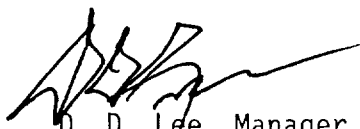
Gentlemen:

GULF OIL CORPORATION
L. R. CHAMBERLIN LSE.
DENTON (DEVONIAN), DENTON (WOLFCAMP) FLD.
LEA COUNTY, NEW MEXICO
SHELL I.D. #X88735A00

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

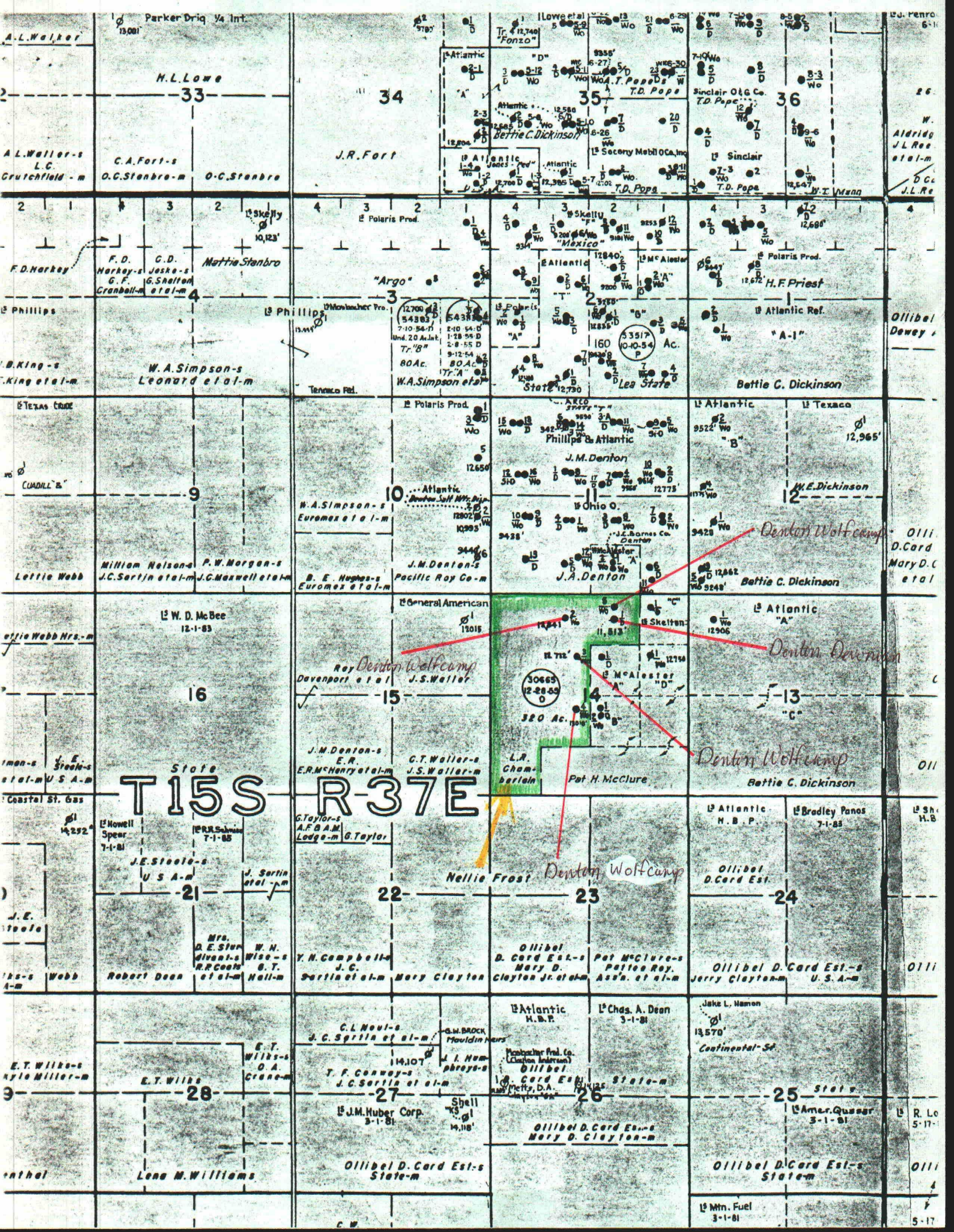
As discussed, we will continue to purchase the commingled production from the Denton (Devonian), Denton (Wolfcamp) formations.

Yours very truly,

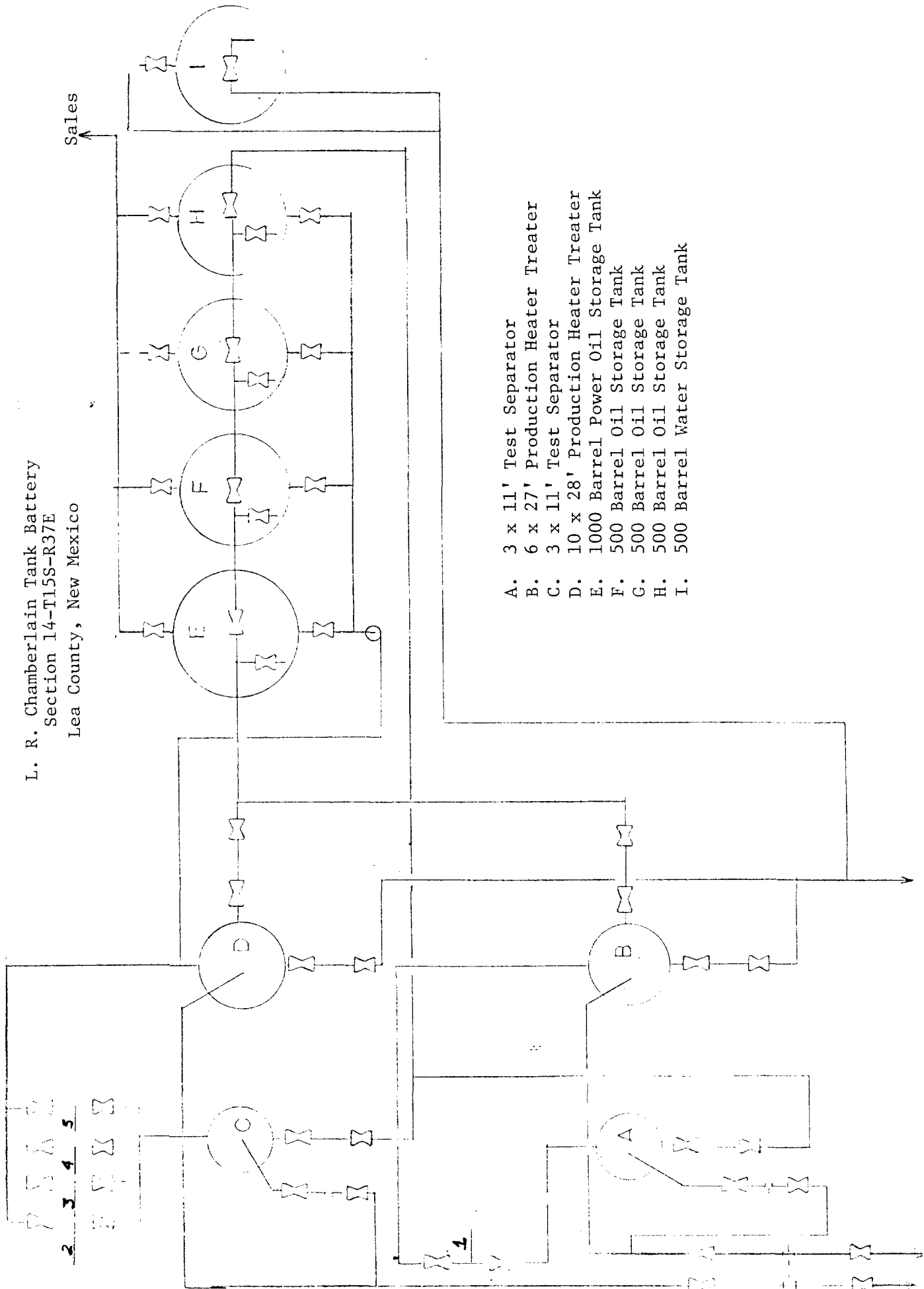

D. D. Lee, Manager
Lease Operations
Midland Office

ec

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



L. R. Chamberlain Tank Battery
 Section 14-T15S-R37E
 Lea County, New Mexico



- A. 3 x 11' Test Separator
- B. 6 x 27' Production Heater Treater
- C. 3 x 11' Test Separator
- D. 10 x 28' Production Heater Treater
- E. 1000 Barrel Power Oil Storage Tank
- F. 500 Barrel Oil Storage Tank
- G. 500 Barrel Oil Storage Tank
- H. 500 Barrel Oil Storage Tank
- I. 500 Barrel Water Storage Tank