

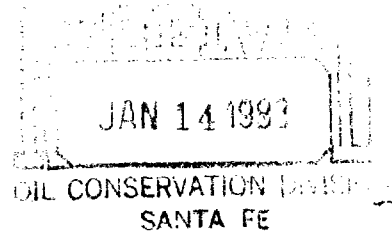
Gulf Oil Exploration and Production Company

R. C. Anderson
PRODUCTION MANAGER
HOBBS AREA

January 7, 1982

P. O. Box 670
Hobbs, NM 88240

Re: Surface Commingling
Lea "C" State Lease



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 Rule #303. This will allow Gulf to commingle production for the Denton Devonian and Denton 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 and the results of recent production tests. The calculated revenue from the commingled production is the same due to the two pools having greater than 40 API gravity.

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,

for 
R. C. ANDERSON

TSM/skc

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



A DIVISION OF GULF OIL CORPORATION



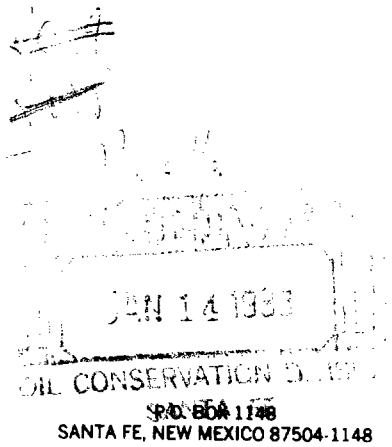
JIM BACA
COMMISSIONER

State of New Mexico



Commissioner of Public Lands

January 4, 1983



Gulf Oil Exploration and Production Company
P. O. Box 670
Hobbs, New Mexico 88240

Re: Surface commingling
Lea "G" State # 2, 3, 4
Denton Devonian
Lea "G" State # 5, 7, 8
Denton Wolfcamp
Sec. 2-T15S-R37E
Lea County, New Mexico

ATTENTION: Mr. R. C. Anderson

Gentlemen:

The Commissioner of Public Lands has this date approved your request to surface commingle the oil from the Denton Devonian and Denton Wolfcamp pools on the Lea "G" State Well Nos. 2, 3, 4, 5, 7 and 8 located on Section 2, Township 15 South, Range 37 East, State of New Mexico Lease No. B-11534. Any deviation from your proposed request will be reason to cancell our approval.

Our approval is subject to like approval by the New Mexico Oil Conservation Division. Your filing fee in the amount of Ten (\$10.00) Dollars has been received.

This office has also been advised by the NMOCD by Administrative Order No. DHC-383 that you have been authorized to downhole commingle production of the R. E. Cole (NCT-A) Well No. 9 SE $\frac{1}{4}$ SW $\frac{1}{4}$ Sec. 16-T22S-R37E from the Blinebry Oil and Gas and Drinkard Pools. Please submit to this office a copy of your request since this well is located on state lands.

Very truly yours,

JIM BACA
COMMISSIONER OF PUBLIC LANDS

BY: *Ray D. Graham*
RAY D. GRAHAM, Director
Oil and Gas Division
AC 505/827-5744

JB/RDG/pm
encls.

cc: OCD-Santa Fe, New Mexico
Administration
B-11534

Shell Oil Company

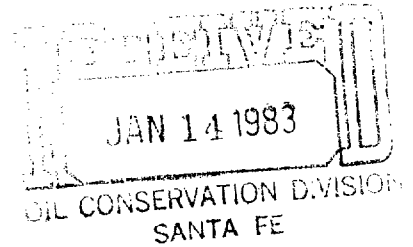


600 N. Mariefeld
Suite 310
Midland, Texas 79701

December 2, 1982

RCA
ROP
well file

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



Gentlemen:

GULF OIL CORPORATION
LEA "G" STATE LSE.
DENTON (DEVONIAN), DENTON (WOLFCAMP) FLD.
LEA COUNTY, NEW MEXICO
SHELL I.D. #X88736A00

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,

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

[illegible]

LEA "G" STATE TANK BATTERY
Section 2-T15S-R37E
Lea County, New Mexico

List of Involved Leases

1. State Lease Number - B11534
2. Legal Description - Section 2-T15S-R37E
3. State Beneficiary - Common School Fund
4. Lessee of Record - Gulf Oil Corporation

LEA "G" STATE TANK BATTERY
Section 2-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>		
Lea "G" State #2, 3, 4 Denton Devonian	2653	2915	5568	91
Lea "G" State 5, 7, 8 Denton Wolfcamp	2202	1571	3773	62

<u>Pool</u>	<u>BOPD</u>	<u>Gravity</u>	<u>\$/Bbl</u>	<u>\$/Day</u>
Denton Devonian	91	42	\$31.00	\$2,821
Denton Wolfcamp	62	40	31.00	1,922
Total				4,743
Commingled	153	41.2	\$31.00	\$4,743
			Difference	\$ 0

LEA "G" STATE TANK BATTERY
Section 2-T15S-R37E
Lea County, New Mexico

2

LS Gulf Oil



"G"



Lea State

1" - 500'



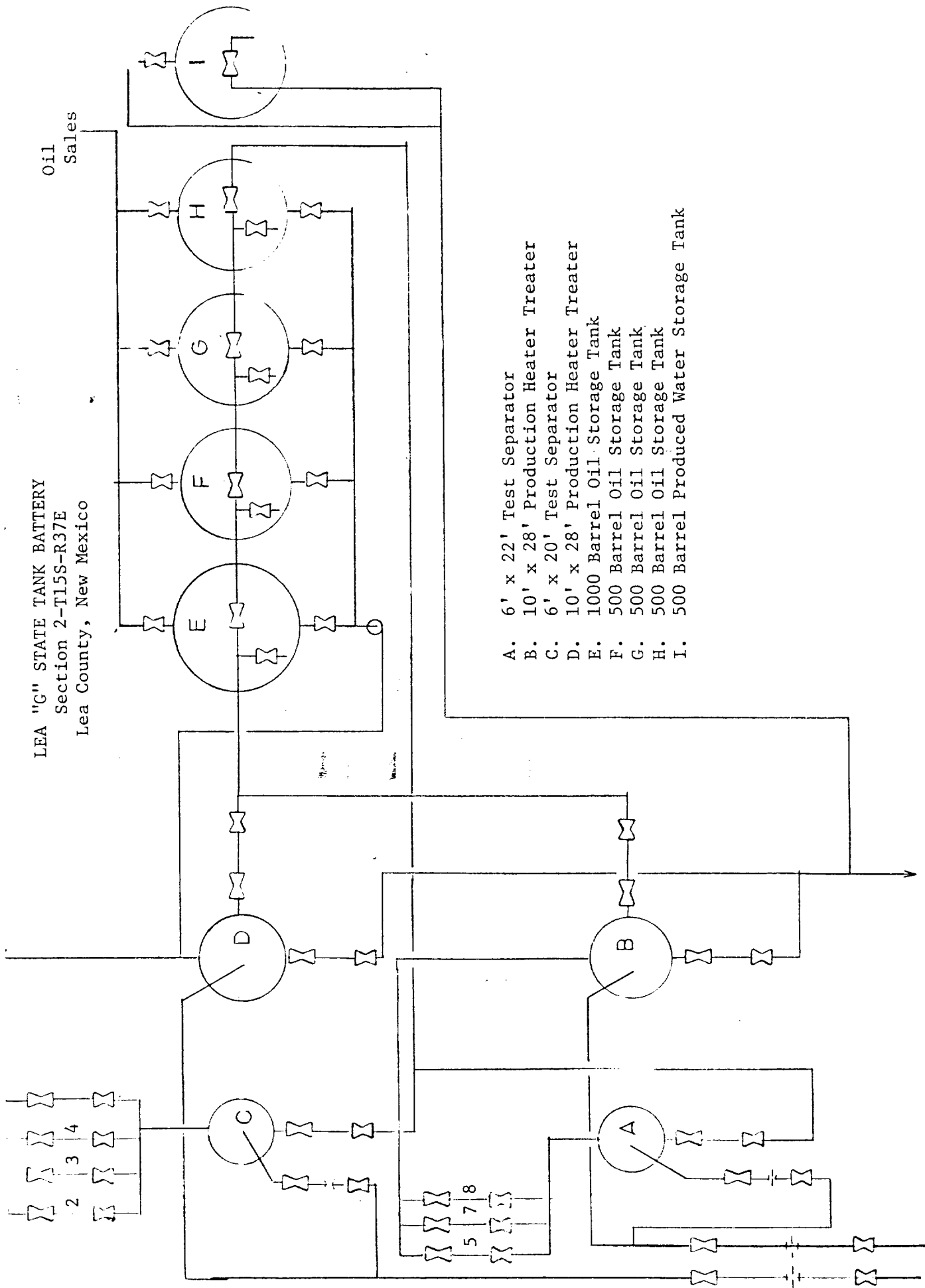
Denton Wolfcamp



Denton Devonian

LEA "G" STATE TANK BATTERY
 Section 2-T15S-R37E
 Lea County, New Mexico

Oil
 Sales



- A. 6' x 22' Test Separator
- B. 10' x 28' Production Heater Treater
- C. 6' x 20' Test Separator
- D. 10' x 28' Production Heater Treater
- E. 1000 Barrel Oil Storage Tank
- F. 500 Barrel Oil Storage Tank
- G. 500 Barrel Oil Storage Tank
- H. 500 Barrel Oil Storage Tank
- I. 500 Barrel Produced Water Storage Tank

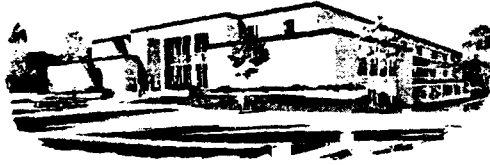
Water Disposal

Gas Sales

State of New Mexico



JIM BACA
COMMISSIONER



Commissioner of Public Lands

January 4, 1983

P.C. # 628
P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

Gulf Oil Exploration and Production Company
P. O. Box 670
Hobbs, New Mexico 88240

Re: Surface commingling
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Lea "G" State # 5, 7, 8
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BY:
RAY D. GRAHAM, Director
Oil and Gas Division
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JB/RDG/pm
encls.

cc: OCD-Santa Fe, New Mexico
Administration
B-11534