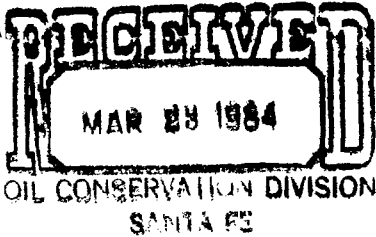


Gulf Oil Exploration and Production Company

R. C. Anderson
PRODUCTION MANAGER
HOBBBS AREA



March 19, 1984

P. O. Box 670
Hobbs, NM 88240

Re: J. F. Janda (NCT-D) #2 Tank Battery
Section 2-T21S-R36E
Lea County, New Mexico
Proposed Surface Commingling of Production
from the Eunice Monument and Hardy Tubbs 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 exception to Rule 303A. This will allow Gulf to commingle production from the Eunice Monument and Hardy Tubbs 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 19 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. Permian 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

CNB/skc
Att'd

cc: Oil Conservation Division-Hobbs
J. R. Frank-Midland



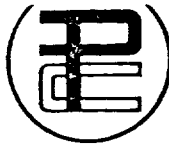
A DIVISION OF GULF OIL CORPORATION

J. F. Janda (NCT-D) Lease, Tank Battery
Section 2-T21S-R36E
Lea County, New Mexico

<u>Wells and Pools</u>	<u>Production</u>		<u>Total</u>	<u>Average BOPD</u>
	<u>Dec. 83</u>	<u>Jan. 84</u>		
J. F. Janda (NCT-D) #3 Eunice Monument				20.0
J. F. Janda (NCT-D) #2 Hardy Tubb	287	341	628	10.1

<u>Pool</u>	<u>BOPD</u>	<u>Gravity</u>	<u>\$/Bbl</u>	<u>\$/Day</u>
Eunice Monument	20.0	29.1	\$28.78	\$575.60
Hardy Tubb	10.1	41.5	\$29.03	\$293.20
Total				\$868.80
Commingled	30.1	33.3	\$28.87	\$868.99
			Difference	+0.19

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THE PERMIAN CORPORATION

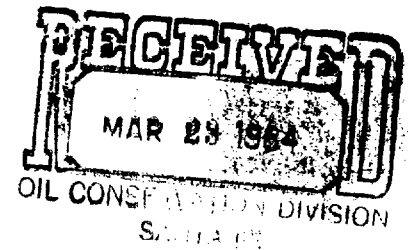
1509 W. WALL P. O. BOX 3119
MIDLAND, TEXAS 79702

915-683-4711



March 7, 1984

Mr. Bob Anderson
Gulf Oil Corporation
P. O. Box 70
Hobbs, New Mexico 88240



Dear Bob:

This will confirm my conversation with Jim Baker, in your Midland office, that we have no problems with you producing the Hardy Tubb and Eunice Monument zones into a common battery on the J. F. Janda NCT "D" lease.

If we can assist you in any other way please call.

Yours very truly,

THE PERMIAN CORPORATION

Randy Gelselman
Randy Gelselman

RGlm

J.F. JANDA (NCT-D) #2
TANK BATTERY
Section 2 - T21S - R36E

