

Gulf Oil Exploration and Production Company

R. C. Anderson
PRODUCTION MANAGER, HOBBS AREA

September 8, 1981

P. O. Box 670
Hobbs, NM 88240

RE: Lamunyon Fed. A Lease
Tank Battery, Sec. 22-T23S-R37E
Lea County, New Mexico
Proposed Surface Commingling
of Production from the
Langlie Mattix Pools

Mr. Joe D. Ramey
Energy & 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 replacement tank battery for the subject lease, Gulf hereby seeks an exception to Administrative Rule No. 303. This exception will allow Gulf to commingle production from the Langlie Mattix pool of the Lamunyon Fed. B lease with Langlie Mattix oil from the Lamunyon Fed. A lease. 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 two month period and the results of recent production tests for each lease. The calculated revenue from the commingled production is approximately 38 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. Gulf Oil 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

MWC/jcl

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



A DIVISION OF GULF OIL CORPORATION

Lamunyon Federal A Lease, Tank Battery
Section 22-T23S-R37E
Lea County, New Mexico

<u>Wells and Pool</u>	<u>June 1981</u>	<u>July 1981</u>	<u>Total</u>	<u>Average BOPD</u>
Lamunyon Fed. B #2 Langlie Mattix Pool	524	250	774	12.7
Lamunyon Fed A #1,2	106	200	306	5.1
	<u>BOPD</u>	<u>Gravity</u>	<u>\$/Bbl</u>	<u>\$/Day</u>
Langlie Mattix (B)	12.7	31.5	\$34.63	\$439.80
Langlie Mattix (A)	<u>5.1</u>	<u>33.2</u>	<u>34.66</u>	<u>176.76</u>
Total	17.8			\$616.56
Commingled	17.8	33.08	\$34.66	\$616.94
			Difference	(+.38)

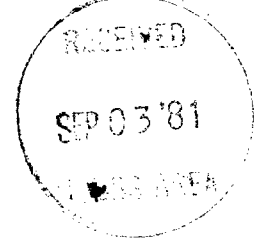
Gulf Oil Company - U.S.

CRUDE OIL DEPARTMENT

R. T. Henry
AREA REPRESENTATIVE

September 2, 1981

P. O. Box 1150
Midland, TX 79701



Gulf Oil Corporation
P.O. Box 670
Hobbs, New Mexico 88240
Attention: Mr. Bob Anderson

Dear Mr. Anderson:

Confirming my conversation with Mr. Mike Casey in Hobbs, the Crude Oil Department, as purchaser has no objection and will continue to purchase the commingled Langlie Mattix production from Well No. 2 on the Gulf Operated La Munyon Federal "B" with the Langlie Mattix production from Well No. 2 on the Gulf operated La Munyon Federal "A" with connection by Texas-New Meixco Pipeline's Sour System.

If we can be of further assistance, please advise.

A handwritten signature in dark ink, appearing to read "J. E. Baker".

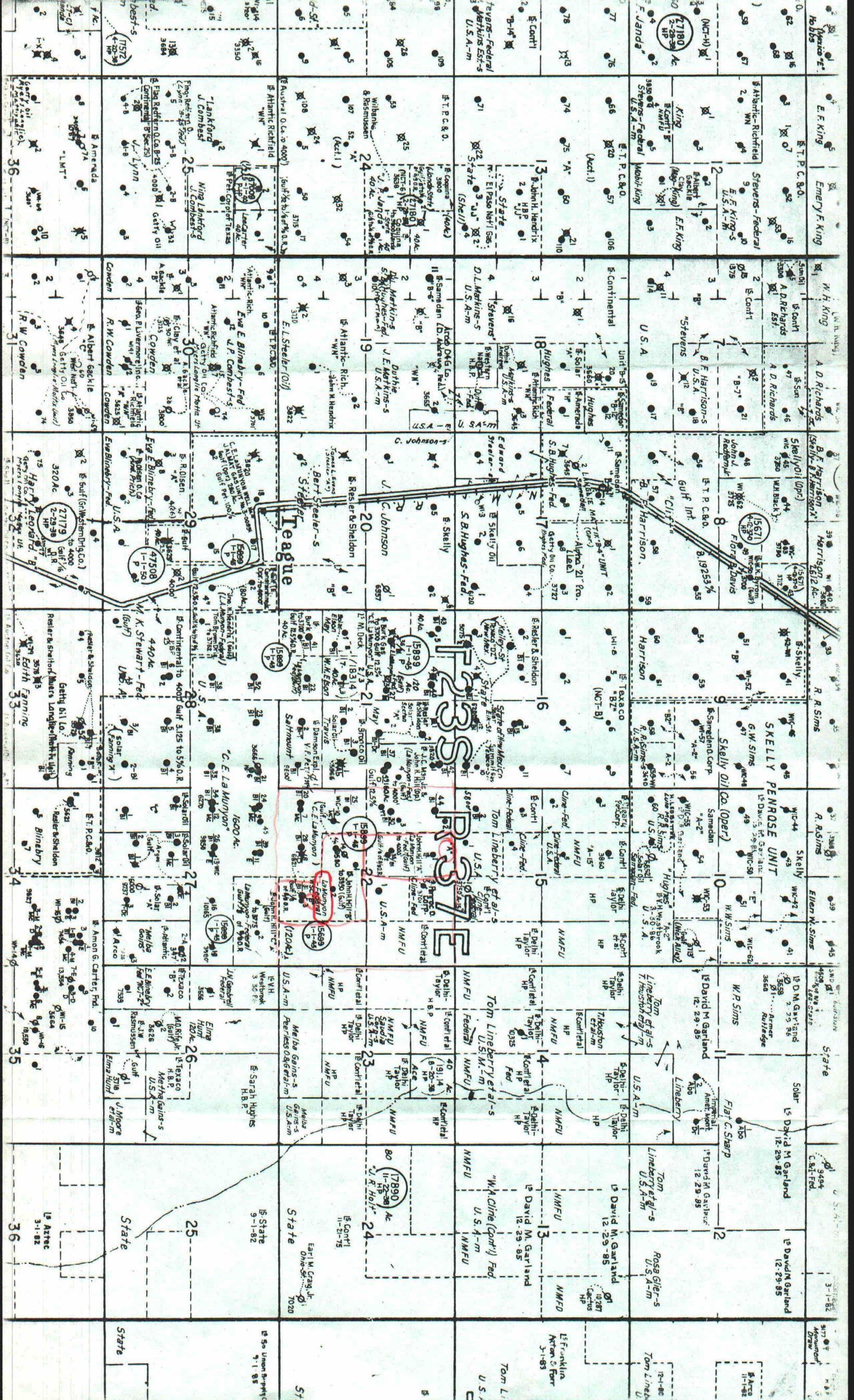
J. E. Baker
Crude Oil Representative

JEB:cs

cc: Mike Casey - Gulf/Hobbs



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GULF OIL CORPORATION
Lamunyon Fed. A Lease
Proposed Commingled Tank Battery
Langlie Mattix Pools

