

# Gulf Oil Exploration and Production Company

April 11, 1979

R. C. Anderson  
PRODUCTION MANAGER, HOBBS AREA

P. O. Box 670  
Hobbs, NM 88240

Re: C. E. LaMunyon Lease, Tank Battery  
No. 1, Section 28-T23S-R37E,  
Lea County, New Mexico, Proposed  
Surface Commingling of Undesignated  
Abo and Teague Blinebry Pools

Mr. Joe D. Ramey  
Energy and Minerals Department  
Oil Conservation Division  
P. O. Box 2088  
Santa Fe, NM 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 303-A. This exception will allow Gulf to surface commingle newly developed Undesignated Abo oil from C. E. LaMunyon Well No. 48 with Teague Blinebry oil from C. E. LaMunyon Wells No. 14, 20, 21, 22, 23, 24, 25, 26, 28, 29, 30, 32, 33, 34, 35, 37, 38, 39, 41, 42 and 44. 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 59 day period and the results of recent production tests for the new completion.

The calculated revenue from the commingled production is approximately 64 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 Pipe Line Corporation has agreed to purchase the commingled oil as proposed herein.

The C. E. LaMunyon Lease is located on Federal lands (Federal Lease LC-030187). The U. S. Geological Survey has consented to the proposed commingling per conversation between Gulf's L. B. Ivanhoe and Mr. Brown of the U. S. G. S. on April 10, 1979.

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

Yours very truly,

  
R. C. ANDERSON

Attachments  
LBI/dch  
cc: Oil Conservation Division  
P. O. Box 1980  
Hobbs, NM 88240



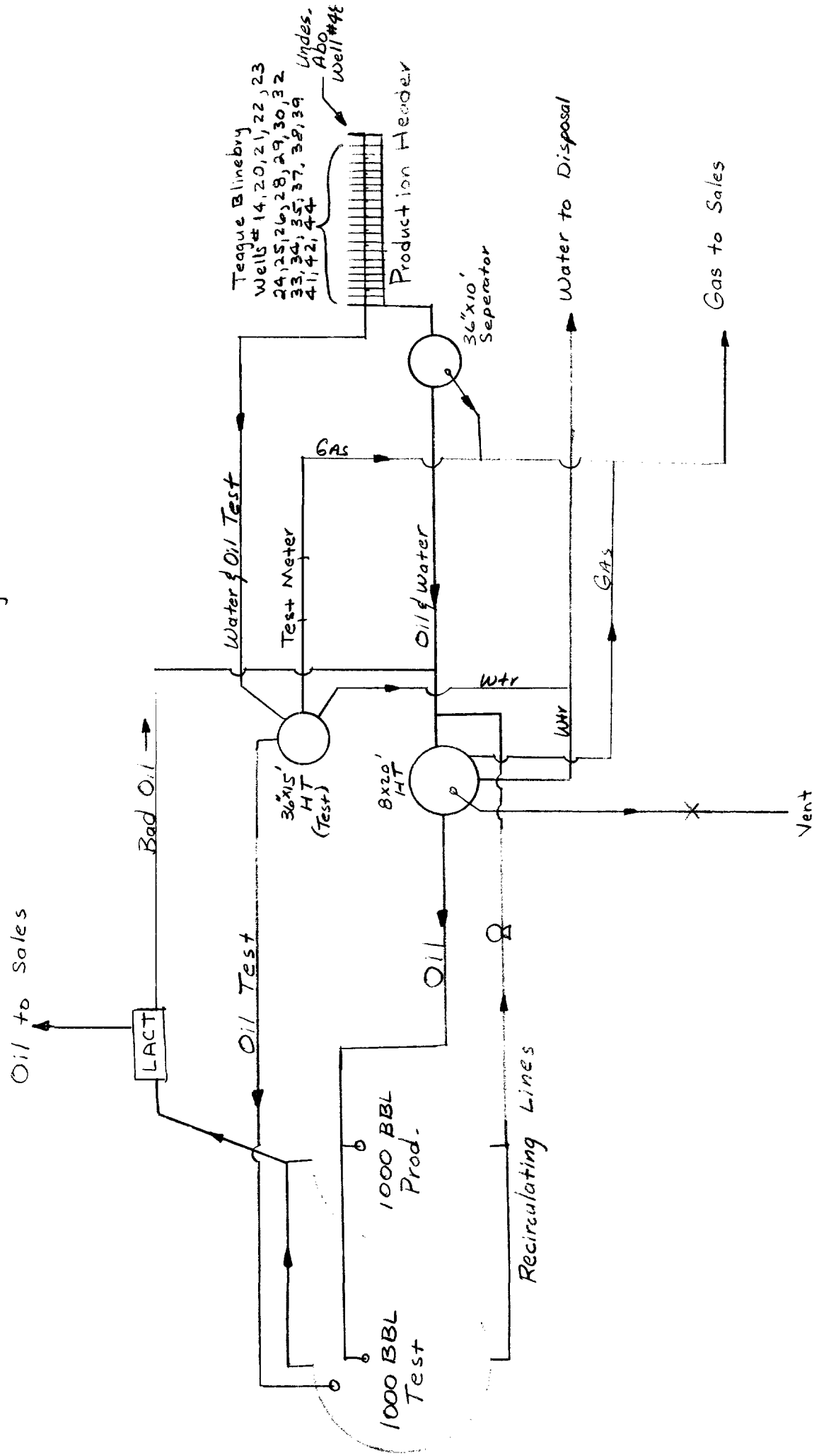
GULF OIL CORPORATION

C. E. LaMUNYON LEASE, TANK BATTERY NO. 1  
 Section 28-T23S-R37E  
 Lea County, New Mexico

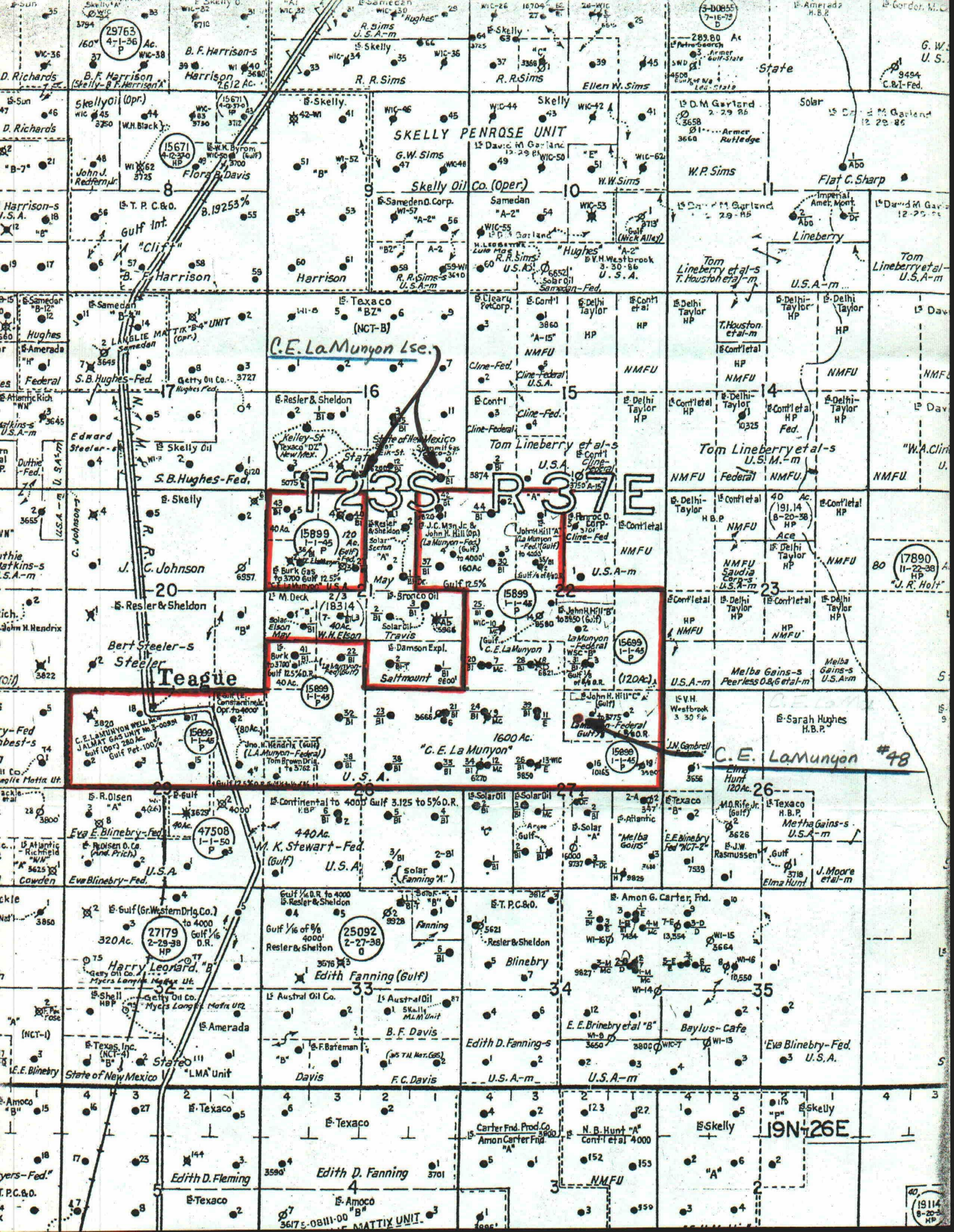
<u>Wells and Pool</u>	<u>Production</u>		<u>Total</u>	<u>Average BOPD</u>
	<u>Jan 79</u>	<u>Feb 79</u>		
C. E. LaMunyon 14, 20, 21, 22, 23, 24, 25, 26, 28, 29, 30, 32, 33, 34, 35, 37, 38, 39, 41, 42 and 44 Teague Blinebry Pool	3,126	2,997	6,123	103.8
C. E. LaMunyon No. 48 Undesignated Abo*	-	-	-	<u>16.0</u>
				119.8
*Test Production (4-7-79) 16 BOPD, 4 BWPD & 60 MCFGPD				

<u>Pool</u>	<u>BPD</u>	<u>Gravity</u>	<u>\$/Bbl</u>	<u>\$/Day</u>
Teague Blinebry	103.8	38.1	\$ 15.80	\$ 1,640.04
Undesignated Abo	<u>16.0</u>	<u>35.7</u>	<u>15.76</u>	<u>252.16</u>
TOTAL	119.8			\$ 1,892.20
Commingled	119.8	36.9	\$ 15.80	\$ 1,892.84
		Difference Per Day		(\$ + 0.64)

Gulf Oil Corporation  
 Proposed Commingle Tank Battery  
 C.E. LaMunyon Btry # 1  
 Sec 28-T23S-R37E, Lea Co NM  
 Abo-Teague Blinebry







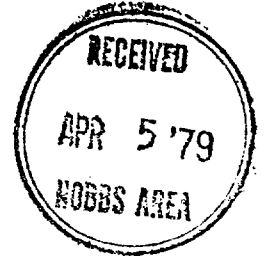


# Shell Oil Company



Two Shell Plaza  
P.O. Box 2099  
Houston, Texas 77001

April 2, 1979



Gulf Oil Company  
ATTN R. C. Anderson  
P. O. Box 670  
Hobbs, NM 88240

Gentlemen:

C. E. LA MUNYON LEASE  
ABO FIELD  
LEA COUNTY, NEW MEXICO

Per phone conversation Cox/Cook of March 30, 1979, we are agreeable to commingling Abo into Teague Blinbry Battery on the subject lease. Shell will continue to purchase the commingled production.

Yours very truly,

F. D. Couvillon, Supervisor  
Field Operations - Crude Oil Supply  
Operations-Domestic Raw Materials Supply

SC/dg