

Gulf Oil Exploration and Production Company

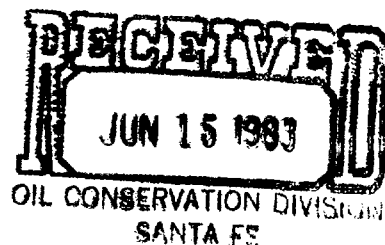
R. C. Anderson
PRODUCTION MANAGER
HOBBBS AREA

June 13, 1983

P. O. Box 670
Hobbs NM 88240

Re: R. R. Bell (NCT-E) Lease
Tank Battery, Section 11-T21S-R36E
Lea County, New Mexico - Proposed
Surface Commingling of Production
from the Hardy Blinebry and Eunice
Monument Pools Amendment to Commingling
Order PC-622

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 Hardy Blinebry and Eunice Monument 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 7 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 Pipeline 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

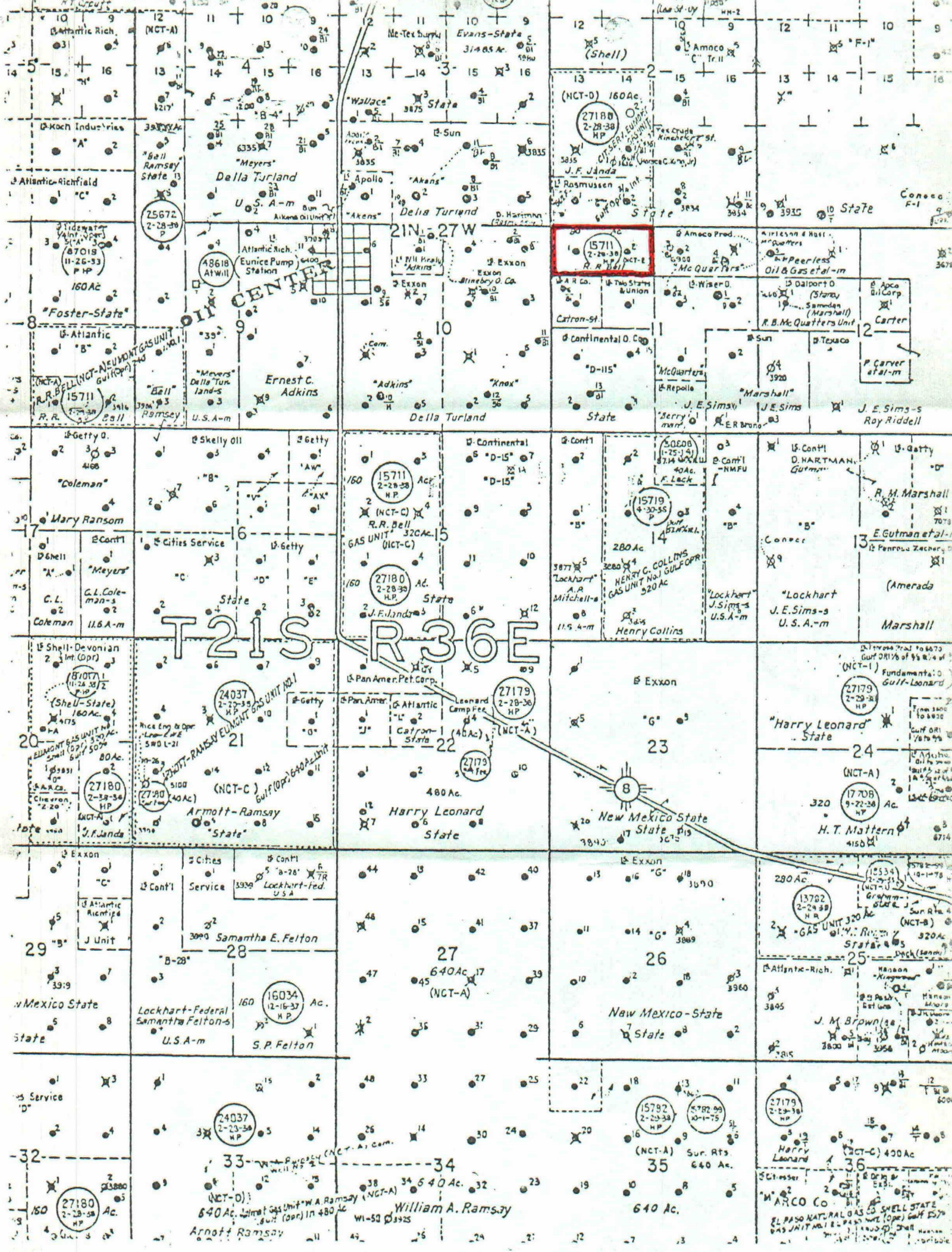
CNB/skc
Att'd

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



R. R. Bell (NCT-E) Lease, Tank Battery
 Section 11-T21S-R36E
 Lea County, New Mexico

<u>Wells and Pool</u>	<u>Production</u>		<u>Total</u>	<u>Average</u>
	<u>Mar. 83</u>	<u>April 83</u>		<u>BOPD</u>
R. R. Bell (NCT-E) #4 Hardy Blinebry				5.0
R. R. Bell (NCT-E) #1,2 Eunice Monument	115	141	256	4.2
	<u>BOPD</u>	<u>Gravity</u>	<u>\$/Bbl</u>	<u>\$/Day</u>
Hardy Blinebry	5.0	28.2	\$29.26	\$146.30
Eunice Monument	4.2	31.7	29.33	123.19
Total				\$269.49
Commingled	9.2	29.8	29.30	\$269.56
			Difference	+0.07



OIL CENTER

T21S R36E

New Mexico State

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14 15 16 13 14 15 16 13 14 15 16 13 14 15 16

8 7 6 5 4 3 2 1

3 2 1

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20 19 18 17 16 15 14 13 12 11 10 9 8 7 6 5 4 3 2 1

20 19 18 17 16 15 14 13 12 11 10 9 8 7 6 5 4 3 2 1

29 28 27 26 25 24 23 22 21 20 19 18 17 16 15 14 13 12 11 10 9 8 7 6 5 4 3 2 1

29 28 27 26 25 24 23 22 21 20 19 18 17 16 15 14 13 12 11 10 9 8 7 6 5 4 3 2 1

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(Shell)

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HP

(15711)
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NCT-E
R.R. Bell

(15711)
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NCT-C
R.R. Bell

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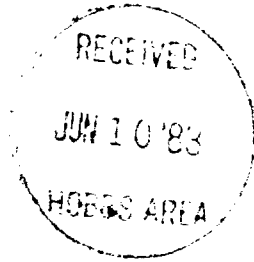
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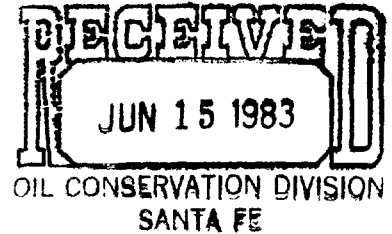
Shell Oil Company



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

June 9, 1983

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



Gentlemen:

GULF OIL CORPORATION
R. R. BELL NCT-E LEASE
EUNICE (GRAYBURG-SAN ANDRES) & HARDY (BLINEBRY)
LEA COUNTY, NEW MEXICO
SHELL I.D. #X88756A00

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

As discussed, we will continue to purchase the commingled production from the Eunice (Grayburg-San Andres) & Drinkard (Blinebry) formations.

Yours very truly,

R. R. Minus, Jr.
Crude Oil Representative
Midland Office

RRM:nt

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