



## CABOT PETROLEUM CORPORATION

OIL AND GAS  
DRILLING AND PRODUCTION

806/669-2581

P. O. BOX 5001, PAMPA, TEXAS 79065

March 26, 1986

State of New Mexico  
Energy and Minerals Department  
Oil Conservation Division  
P. O. Box 2088  
State Land Office Building  
Santa Fe, New Mexico 87501

Attn: Mr. Richard L. Stamets

Re: J. L. Reed #5  
Rule 309-C,  
Administrative Approval,  
Off-Lease Storage

Gentlemen:

Cabot respectfully requests an exception to Rule 309-A to permit oil production from our newly drilled J. L. Reed No. 5, located 1830' FNL and 660' FEL (Unit H) of Section 35-T13S-R37E, Lea County, New Mexico, to be transported (through its flowline) prior to measurement to a tank battery that is located in Unit E of Section 36-T13S-R37E, Lea County, New Mexico (On Cabot Petroleum's State "C" Lease). Reference is made to the attached plat of the area.

Recently, both wells on our State "C" Lease in NW/4 of Section 36 became Wolfcamp producers. This caused one tank battery that had been previously used for our State "C" #1 Devonian production to be surplus. State "C" #1 Wolfcamp and State "C" #2 Wolfcamp production goes to the north battery located in Unit E of Section 36-T13S-R37E. Therefore it is more economical to use this surplus battery for our Reed #5, Pennsylvanian oil production, than to build a tank battery and Amoco Pipeline to build other facilities.

All of the production in this battery that Amoco Pipeline will designate as Reed Battery Number Two, will be from the same common source of supply.

State of New Mexico  
J. L. Reed #5  
Page 2

Commingling of production for the J. L. Reed and State "C" lease will not result.

There will be no intercommunication of the handling, separating, treating, or storage facilities designated to each lease.

Cabot Petroleum Corporation has 96.875% working interest and Gulf Oil Exploration and Production Company has 3.125% working interest in the J. L. Reed lease. Cabot Petroleum Corporation has 100% working interest in the State "C" lease.

Attached is proof that Gulf Oil Exploration and Production Company has been notified by certified mail.

Please advise.

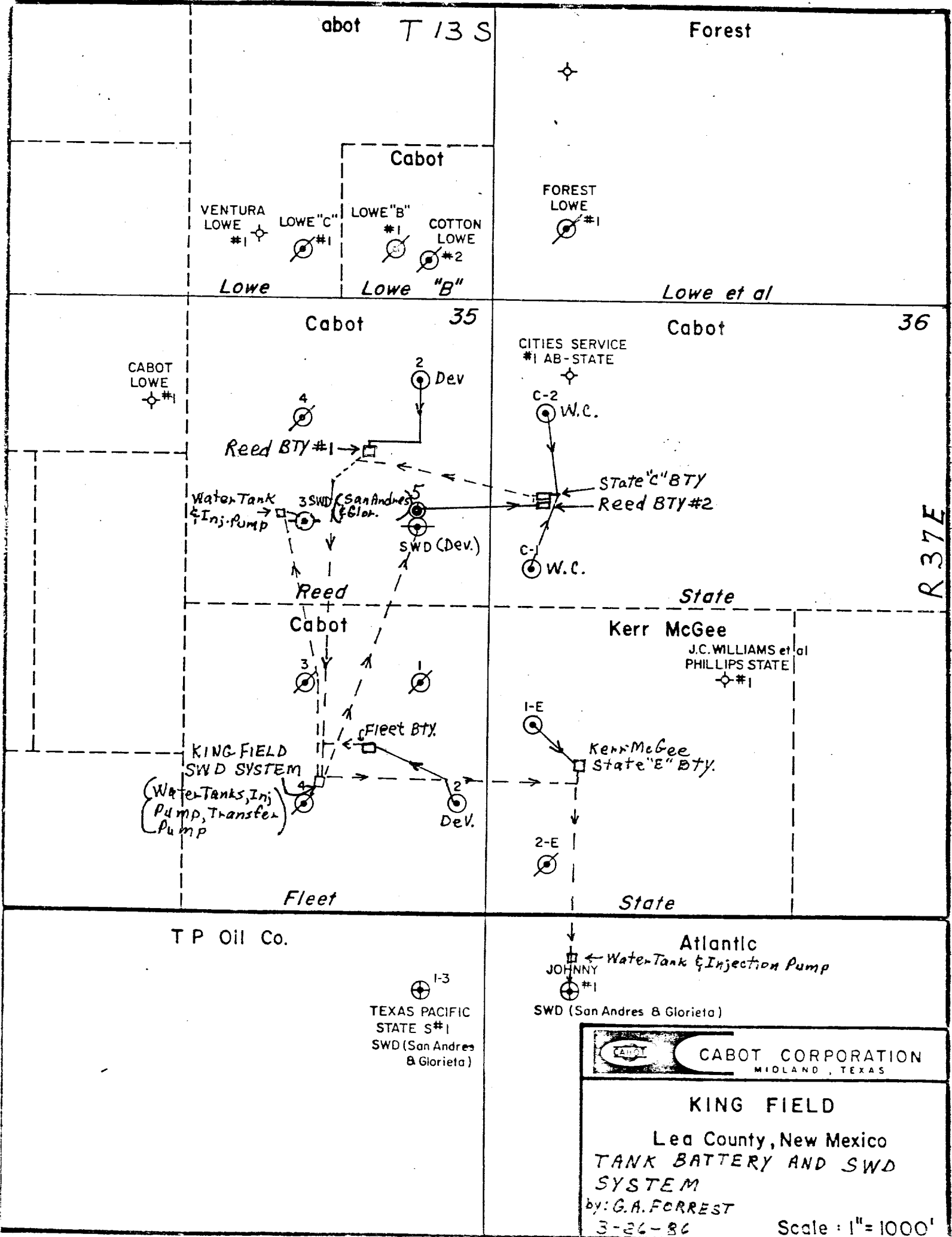
Sincerely,

A handwritten signature in cursive script that reads "George Forrest".

George Forrest  
Senior Petroleum Engineer

Attachment

cc: Rodney Boyd  
Jerry Sexton  
Gulf Oil Exploration & Production Company  
Dennis Snider





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March 26, 1986

Gulf Oil Exploration and Production Company  
P. O. Box 12116  
3625 NW 56th Street  
Oklahoma City, OK 73157

Gentlemen:

As required by the State of New Mexico Rule 309(c)5, please consider this letter your notification of our intention to transport prior to measurement the production from the J. L. Reed #5, Section 35-13S-37E, to the tank battery located in Unit E, Section 36-13S-37E being the former New Mexico State 'C' #2 battery.

For economical reasons, a flowline of 1100' was laid to this battery rather than moving the battery to the Reed #5 location.

If you have questions concerning this matter please call.

Sincerely,

A handwritten signature in cursive script, appearing to read "Evelyn Farmer".

Evelyn Farmer  
Regulatory Assistant

/ef

P 055 445 826

RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED  
NOT FOR INTERNATIONAL MAIL

(See Reverse)

★ U.S.G.P.O. 1984-446-014

PS Form 3800, Feb. 1982

Sent to	
Wulf C. 2 Explosive	
Street and No.	
P.O. Box 12116	
City, State and ZIP Code	
Ctla Ct, Ct 73152	
Postage	\$ .22
Certified Fee	.75
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to whom and Date Delivered	.70
Return Receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$ 1.67
Postmark or Date	