## Gulf Oil Exploration and Production Company

R. C. Anderson PRODUCTION MANAGER

March 2, 1984

P. O. Box 670 Hobbs, NM 88240

Surface Commingling Application Re: Drinkard (NCT-B) Lease Section 30-T22S-R30E Lea County, New Mexico

Mr. Joe D. Ramey Energy and Minerals Dept. Oil Conservation Division P. O. Box 2088 Santa Fe, New Mexico 87501



Dear Sir:

In order to avoid the considerable expense for maintaining two tank batteries for the subject lease, Gulf hereby seeks an exception to Rule 303A. This will allow Gulf to commingle production from the Blinebry Oil, Drinkard Oil, and Wantz Abo currently being produced into the Drinkard (NCT-B) #1 Tank Battery, with the Wantz Granite Wash currently being produced into the Drinkard (NCT-B) #4 Tank Battery. All wells will be tested periodically for allocation of production.

The attached tabulation shows the volume, gravities, and monetary values of the liquid hydrocarbons from the currently commingled pools, as well as the proposed commingled production. The tabulation shows the total average daily production for a two month period and the results of recent production tests. The calculated revenue from the proposed commingled production is equal to the current non-commingled revenue.

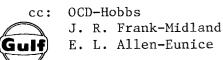
Also attached is a schematic diagram of the storage facilities for the proposed commingled production and a lease plat. Texaco Oil Co. has agreed to continue to purchase the commingled production.

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

Yours very truly,

f. C. ander-R. C. ANDERSON

TSM/skc Att'd



## DRINKARD (NCT-B) LEASE Section 30-T22S-R30E Lea County, New Mexico

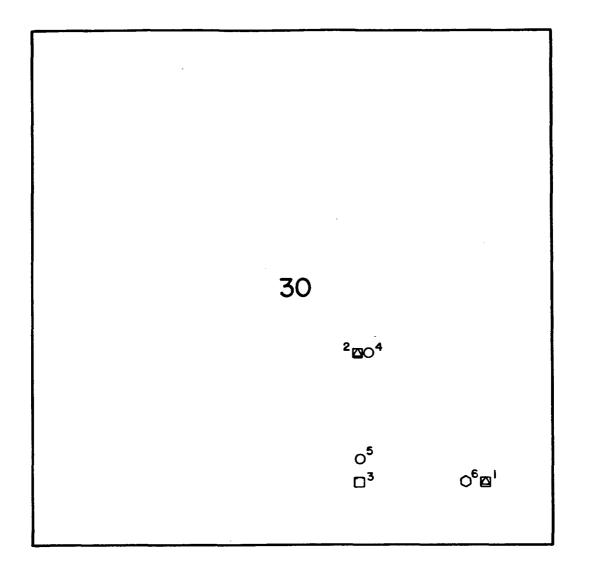
Wells and Pool	Dec	Production	n an 84	Total	Average BOPD
Drinkard (NCT-B) #1 Tank Battery Blinebry Oil #1, & 2 Drinkard Oil #1, 2, & 3 Wantz Abo #6	6	23	526	1149	18.5
Drinkard (NCT-B) #4 Tank Battery Wantz Granite Wash #4 & 5	9	31	842	1773	28.6
Pool	BOPD	Gravity	\$/Bb1		\$/Day
Blinebry Oil Drinkard Oil Wantz Abo	18.5	37.2	\$28.44		\$ 526.13
Wantz Granite Wash	28.6	39.5	\$28.49		\$ 814.81
Total					\$1340.94
Surface Commingled	47.1	38.6	\$28.47		\$1340.94

Difference

0

## Calculations

Commingled Gravity: 18.5 (37.2) + 28.6 (39.5) = 38.6 47.1Battery Price: \$/Bb1 = 28.50 - .02 (40 - API Gravity) Drinkard (NCT-B) #1 Tank Battery: \$/Bb1 = 28.50 - .02 (40-37.2) = 28.50 - .06 = 28.49 Drinkard (NCT-B) #4 Tank Battery: \$/bb1 = 28.50 - .02 (40 - 39.5) = 28.50 - .01 28.49 Proposed Commingled Production: \$/Bb1 = 28.50 - .02 (40 - 38.6) = 28.50 - .02 = 28.47 DRINKARD NCT-B LEASE Section 30 - T22S-R38E Lea County, New Mexico



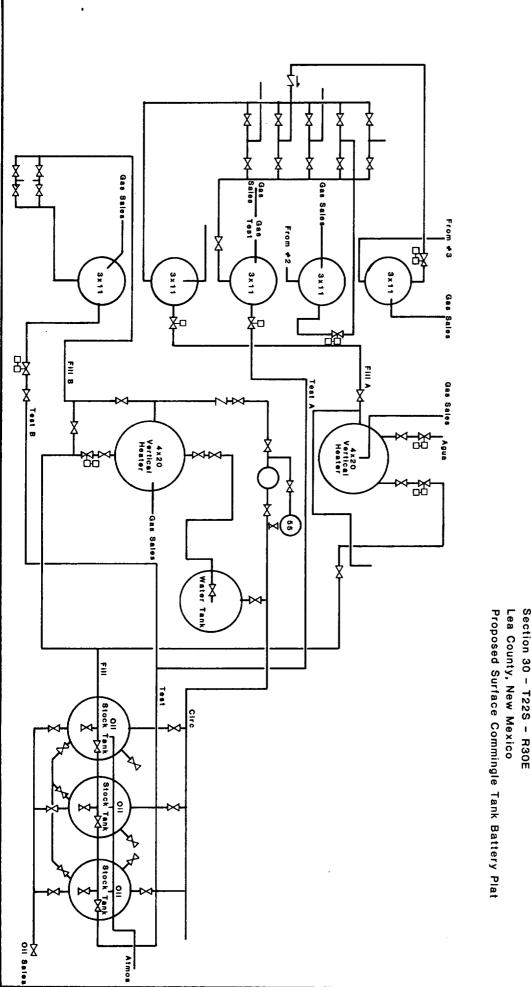
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	1000		2000

	POOL	WELL NUMBERS
٥	Drinkard Oil	1,2,3
Δ	Blinebry Oil	1, 2
0	Wantz Granite Wash	4,5
Ò	Wantz Abo	6

DRINKARD NCT-B LEASE Section 30-T22S-R38E Lea County, New Mexico Gulf Oil Corporation

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Section 30 - T22S - R30E Drinkard NCT - B Lease **Gulf Oil Corporation** 

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T. J. SAVAGE ASSISTANT MANAGER CRUDE OIL TRADING

February 15, 1984

TEXACO U.S.A. A DIVISION OF TEXACO INC. 300 WEST WALL STREET P. O. BOX 3109 MIDLAND, TEXAS 79702 (915) 682-0541

GULF OIL CORP. - OPERATOR DRINKARD NCT-B LEA COUNTY, NEW MEXICO 0055-1153-0001

Gulf Exploration & Production Co. P. O. Box 670 Hobbs, New Mexico 88240

Attention: Mr. R. C. Anderson

Gentlemen:

Reference is made to previous arrangements which provided for your sale of the above subject lease production from commingled storage to Texaco Inc. with connection by Texas-New Mexico Pipe Line Company into their Sweet System.

You have requested permission to commingle your Well No. 4 (Wantz Granite Wash) with the commingled Blinebry, Drinkard and Wantz Abo production.

Texaco is agreeable to purchasing this commingled production.

Yours very truly,

J. J. Savage/BJF

T. J. SAVAGE

BJF:LAL

cc: Mrs. B. M. Ragsdale Gulf Oil Products Company P. O. Box 1150 Midland, Texas 79701