

Gulf Oil Exploration and Production Company

R. C. Anderson
PRODUCTION MANAGER
HOBBS AREA

April 22, 1985

P. O. Box 670
Hobbs, NM 88240

Re: Surface Commingling
Harry Leonard NCT-F Lease
Section 2-T21S-R37E
Lea County, New Mexico
Commingling Order PC-489

Amendment
PC-489

Director - Energy and Minerals Dept.
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Dear Sir:

Gulf Oil requests an amendment to the commingling Order PC-489 to allow commingling of the Wantz Abo formation with the currently commingled Blinebry Oil & Gas, Brunson Ellenburger, Drinkard Oil & Gas, Hare Simpson, and Tubb formations. The Harry Leonard NCT-F #9 was recently recompleted in the Wantz Abo formation from the Blinebry Oil.

At the present time there are two wells producing from the Brunson Ellenburger, one from the Hare Simpson, six from the Blinebry, five from the Drinkard and two from the Tubb. Production will be allocated on the basis of monthly well tests.

This is State land and the Commissioner of Public Lands has been furnished a copy of this application and asked for a letter of approval for the proposal.

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 monthly production for a two month period and the results of recent production tests. The calculated revenue from the proposed commingled production is greater than the current non commingled revenue.

Also attached is a schematic diagram of the storage facilities for the proposed commingled production and a lease plat. Shell Oil 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,

R. C. ANDERSON

TSM/skc
Att'd

cc: Commissioner of Public Lands
Oil and Gas Division/
P. O. Box 1148
Santa Fe, New Mexico 87501



A DIVISION OF GULF OIL CORPORATION

C. L. Morrill-Hobbs
R. N. Magee-Eunice
L. D. Munson-Midland
L. A. Bruton-Hobbs
OCD-Hobbs

HARRY LEONARD NCT-F LEASE
SECTION 2-T21S-R37E
LEA COUNTY, NEW MEXICO

<u>WELLS AND POOL</u>	<u>PRODUCTION</u>		<u>TOTAL (59 DAYS)</u>	<u>AVERAGE BOPD</u>
	<u>FEB. 85</u>	<u>MAR. 85</u>		
Wantz Abo (9)	-	2845(17 days)	2845	167.4
Brunson Ellenburger (2,3)	299	321	620	10.5
Hare Simpson (15)	151	161	312	5.3
Blinebry (8, 10, 12, 14, 18, 19)	487	479	966	16.4
Drinkard (1, 4, 5, 6, 16)	266	550	816	13.8
Tubb (1, 7)	280	299	579	9.8

<u>POOL</u>	<u>BOPD</u>	<u>GRAVITY</u>	<u>\$/BBL</u>	<u>\$/DAY</u>
New Completion				
Wantz Abo	167.4	38.9	28.48	\$4767.55
Existing Battery				
Brunson Ellenburger	10.5	38.4		
Hare Simpson	5.3	38.4		
Blinebry	16.4	37.8		
Drinkard	13.8	39.7		
Tubb	<u>9.8</u>	<u>37.3</u>		
TOTAL Existing Battery	55.8	37.7	28.45	<u>\$1587.73</u>
TOTAL				\$6355.28
Surface Commingled	223.20	38.6	28.48	\$6356.74
			Difference	\$ 1.46

HARRY LEONARD NCT-F LEASE
SECTION 2-T21S-R37E
LEA COUNTY, NEW MEXICO

GENERAL LEASE DATA

1. State Lease Number: B1732
2. Legal Description: East $\frac{1}{2}$ of Section 2-T21S-R37E
3. State Beneficiary: Common School Fund
4. Lessee of Record: Gulf Oil Corporation

Calculations

$$\text{Commingled Gravity: } \frac{55.8(38.6) + 167.5(38.9)}{223.30} = 38.8$$

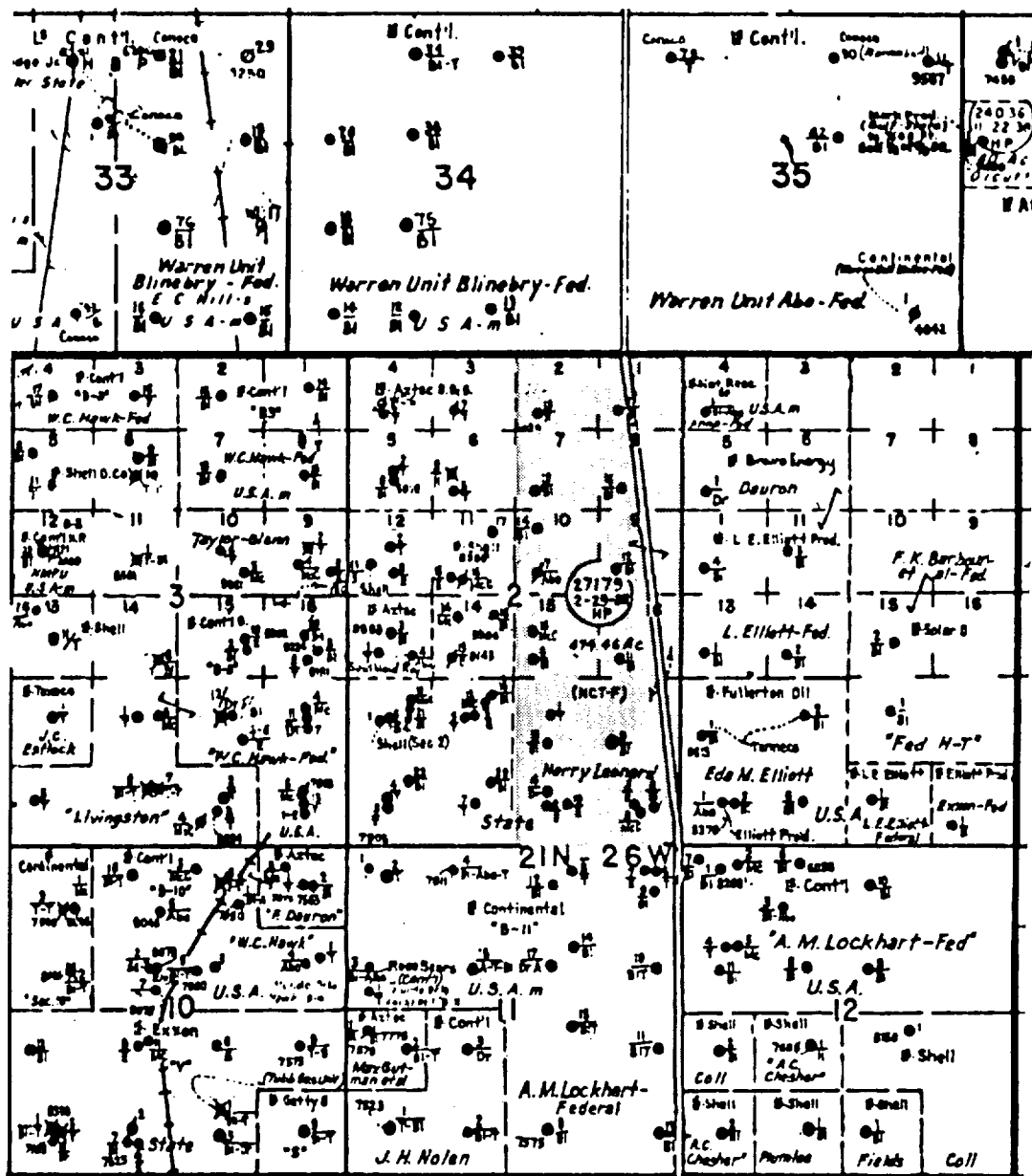
$$\begin{aligned} \text{Existing Battery Gravity: } & \frac{10.5(38.4) + 5.3(38.4) + 16.4(37.8) + (13.8)(39.7) + 9.8(37.3)}{55.8} \\ & = 38.6 \end{aligned}$$

$$\text{Battery Price: } \$/\text{Bbl} = 28.50 - .02 (40 - \text{API Gravity})$$

$$\begin{aligned} \text{Existing Battery Price: } \$/\text{Bbl} &= 28.50 - .02 (40 - 37.7) \\ &= 28.50 - .05 \\ &= 28.45 \end{aligned}$$

$$\begin{aligned} \text{New Well Price: } \$/\text{Bbl} &= 28.50 - .02 (40 - 38.9) \\ &= 28.50 - .02 \\ &= 28.48 \end{aligned}$$

$$\begin{aligned} \text{Commingled Price: } \$/\text{Bbl} &= 28.50 - .02 (40 - 38.8) \\ &= 28.50 - .02 \\ &= 28.48 \end{aligned}$$



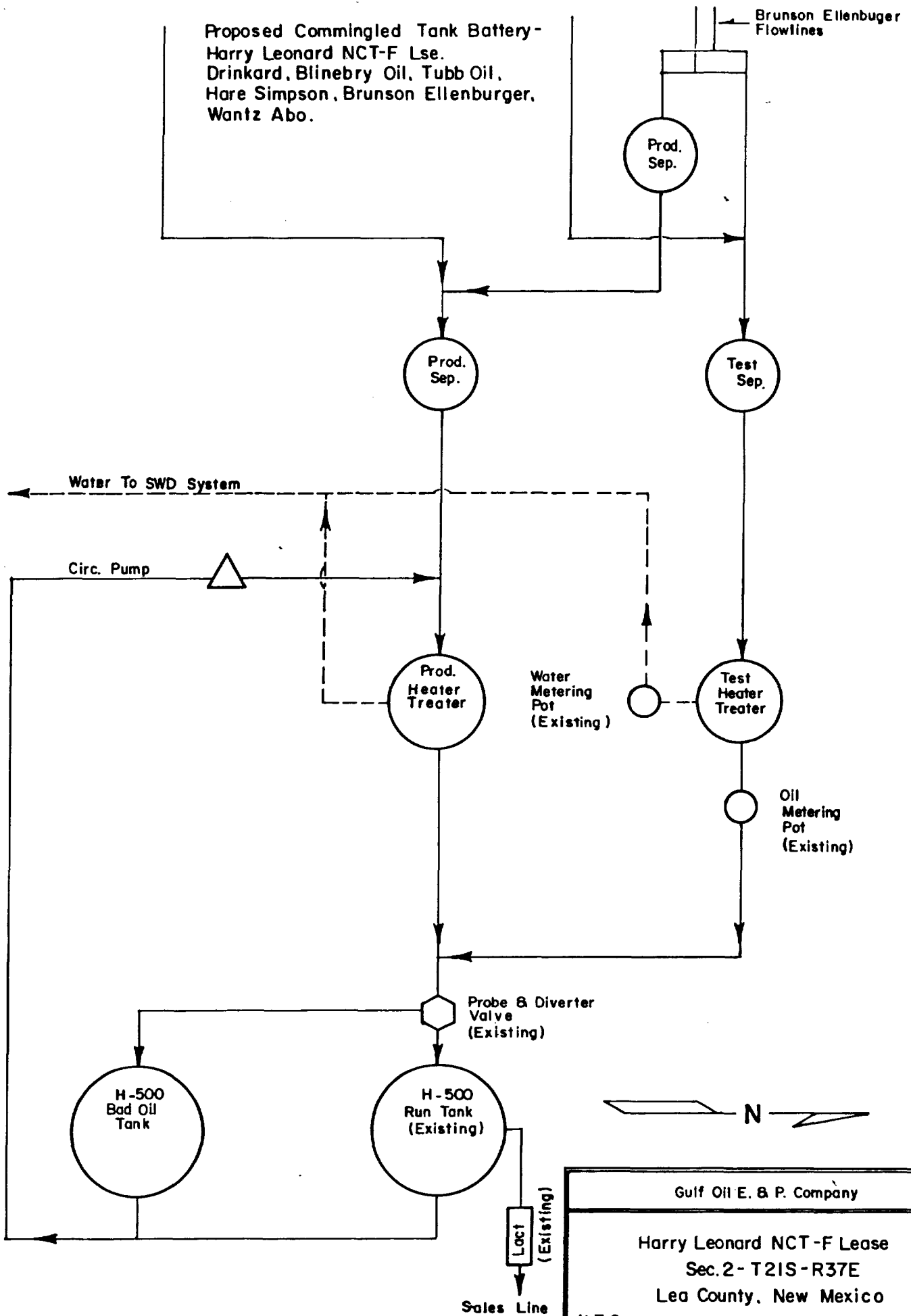
Gulf Oil E. & P. Company

Harry Leonard NCT- F Lease
Sec. 2 - T21S-R37E
Lea County, New Mexico

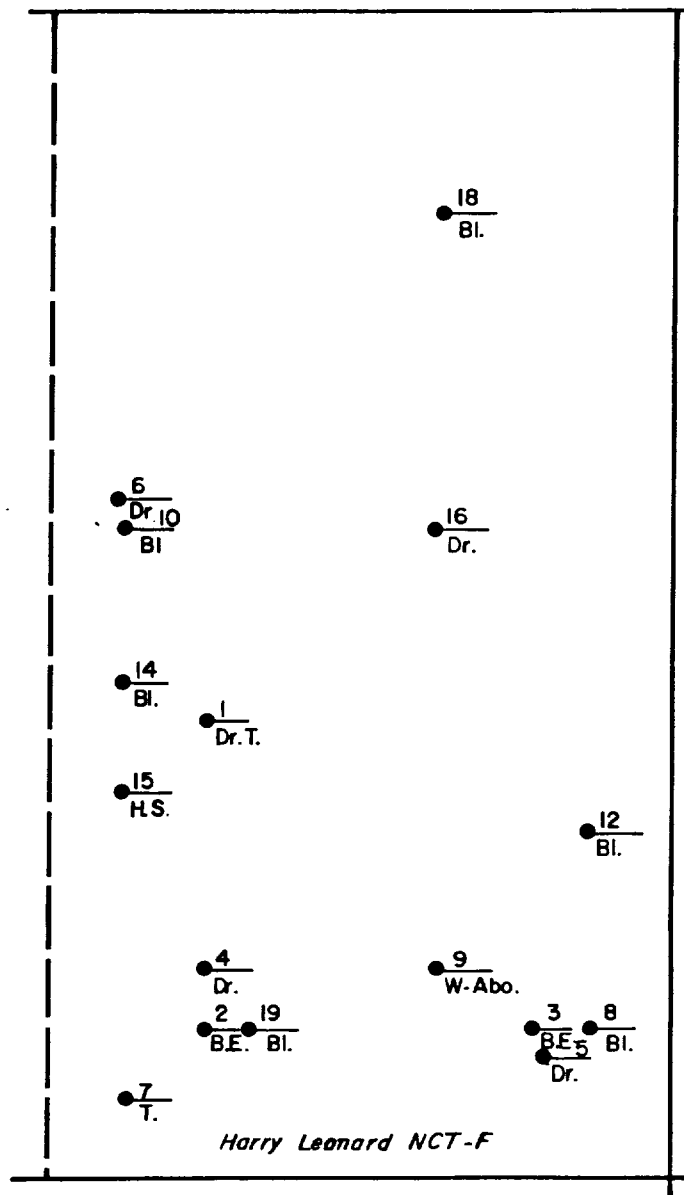
SCALE: 1" = 3000'

4/85

Proposed Commingled Tank Battery-
 Harry Leonard NCT-F Lse.
 Drinkard, Blinebry Oil, Tubb Oil,
 Hare Simpson, Brunson Ellenburger,
 Wantz Abo.



LEASE PLOT



Legend

Dr.	Drinkard
B.E.	Brunson Ellenbuger
T.	Tubb
Bl.	Blinebry
W-Abo.	Wantz Abo
H.S.	Hare Simpson

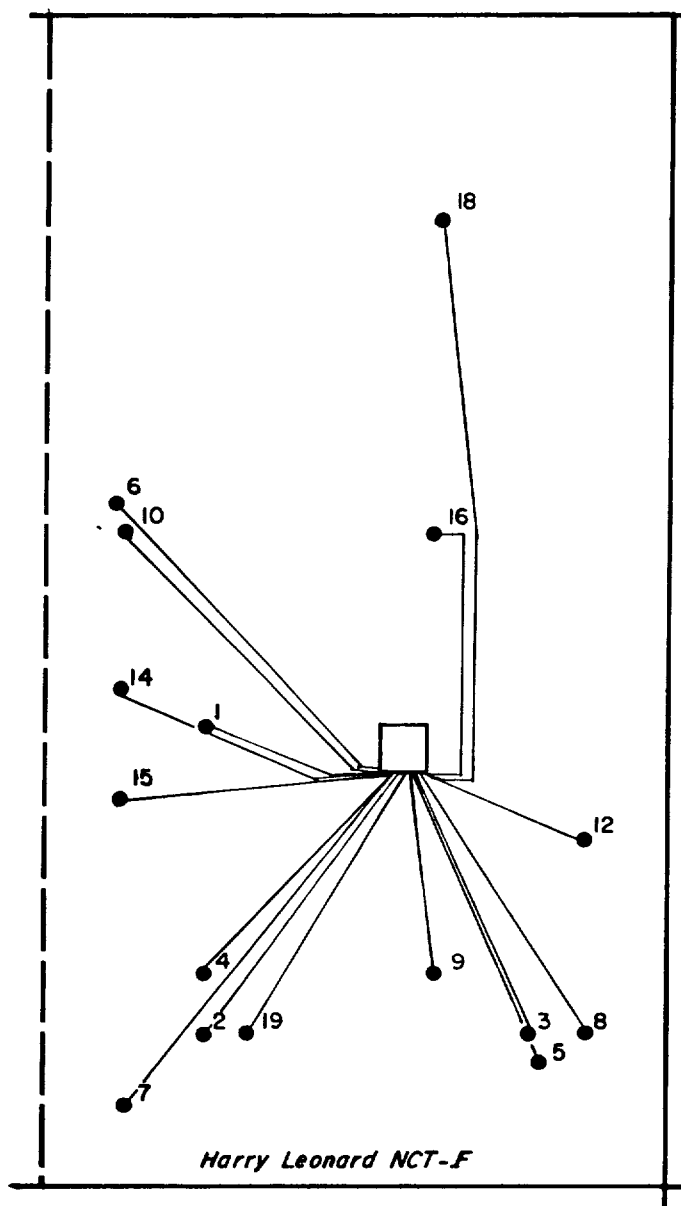


Gulf Oil E. & P. Company

Harry Leonard NCT-F Lease
Sec. 2-T21S-R37E
Lea County, New Mexico

SCALE - 1" = 300 Yards

4/85



All Flowlines Located Underground

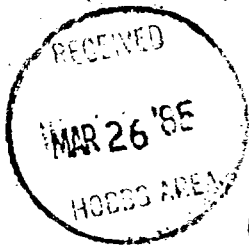
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Gulf Oil E. & P. Company

Harry Leonard NCT - F Lease
Sec. 2 - T21S - R37E
Lea County, New Mexico

SCALE - 1" = 300 Varas

4/85



Shell Oil Company



Paragon Tower, Ste. 306
P.O. Box 1509
Midland, TX 79702

March 25, 1985

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

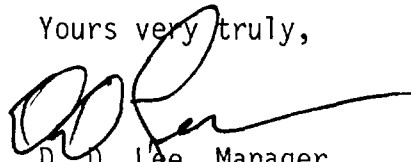
Gentlemen:

GULF OIL CORPORATION
HARRY LEONARD NCT-F LSE.
BLINEBRY OIL & GAS, BRUNSON ELLENBURGER,
DRINKARD OIL & GAS, HARE SIMPSON, TUBB
OIL & GAS & WANTZ ABO FLD.
LEA COUNTY, NEW MEXICO
SHELL I.D. #X83635F00

This is to confirm the phone conversation between your Mr. Jim Baker and the undersigned concerning the subject lease and letter dated March 20, 1985 requesting that Shell continue to purchase the commingled production.

As discussed, we will continue to purchase the commingled production from the Blinebry Oil & Gas, Brunson Ellenburger, Drinkard Oil & Gas & Wantz Abo formations.

Yours very truly,


D. D. Lee, Manager
Lease Operations
Midland Office

ph

cc: Gulf Oil Corporation
ATTN Mr. Jim Baker
P. O. Box 1150
Midland, Texas 79702