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GULF OIL CORPORATION
P. O. Box 670
Hobbs, New Mexico 88240

February 24, 1968

67146

Re: H. T. Mattern (NCT-F) Lease
W&ME/L, Section 1-22S-36E,
Deer County, New Mexico

Mr. A. L. Porter, Jr.
Oil Conservation Commission
P. O. Box 2038
Santa Fe, New Mexico 87501

Dear Sir:

Your approval is requested to commingle the Arrowhead Oil from the No. 1 well, 660' FHL 1980' FHL Section 1-22S-36E, on subject lease with the Arrowhead production on the H. T. Mattern (NCT-D) Lease. The H. T. Mattern (NCT-D) tank battery is in Unit D, Section 7-22S-37E. These two leases are common working interest and royalty. There is no State land involved.

Attached you will find the following:

1. A letter from Shell Oil Company agreeing to purchase the commingled crude.
2. A plat of the area.
3. An economic analysis of the proposal.
4. A schematic diagram of the facility.

Thank you for your early consideration of this proposal.

Yours very truly,



G. D. BORLAND
Area Production Manager

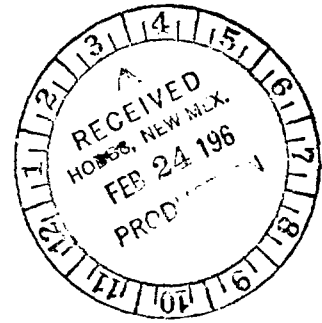
JLT:ptg
Att'd.

cc: Oil Conservation Commission, Hobbs, N.M.
M. I. Taylor, Roswell, N.M.
D. L. Williams, Midland, Texas

SHELL OIL COMPANY

PETROLEUM BUILDING
P.O. BOX 1509
MIDLAND, TEXAS 79701

February 21, 1969



Subject: Gulf Oil Corporation
H. T. Mattern NCT-D and
NCT-F Leases - Sections 1
and 7, T-22-S, R-37-E
Arrowhead (Grayburg) Field
Lea County, New Mexico

Gulf Oil Corporation
Post Office Box 670
Hobbs, New Mexico 88240

Attention Mr. C. D. Borland

Gentlemen:

In accordance with our conversation with Mr. D. L. Williams,
Shell Oil Company, as purchaser of the production, has no objections
to your commingling the production from the above-described leases
into common storage on the "D" lease.

Yours very truly,

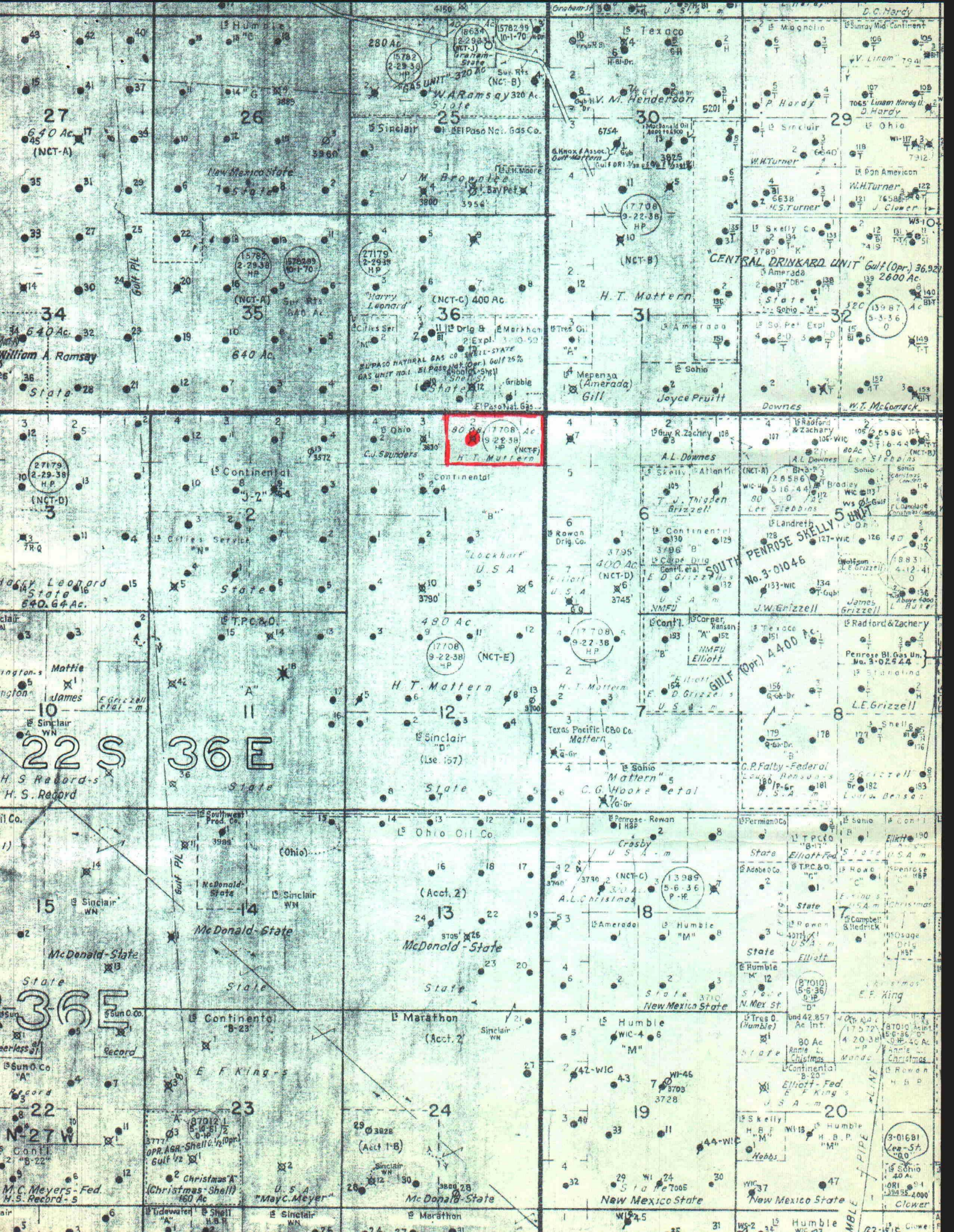
J. C. Hart
Raw Materials Supply
Midland Division Services

TEM:ERL

cc - Gulf Oil Corporation
Post Office Box 1150
Midland, Texas 79701
Attention Mr. D. L. Williams

Shell Pipe Line Corporation
Post Office Box 1910
Midland, Texas 79701
Attention Mr. W. J. Grillos

Shell Pipe Line Corporation
Post Office Box 1910
Midland, Texas 79701
Attention Tender Section



GULF OIL CORPORATION
COMINGLING - H.T. MATTERN (NCT-F)

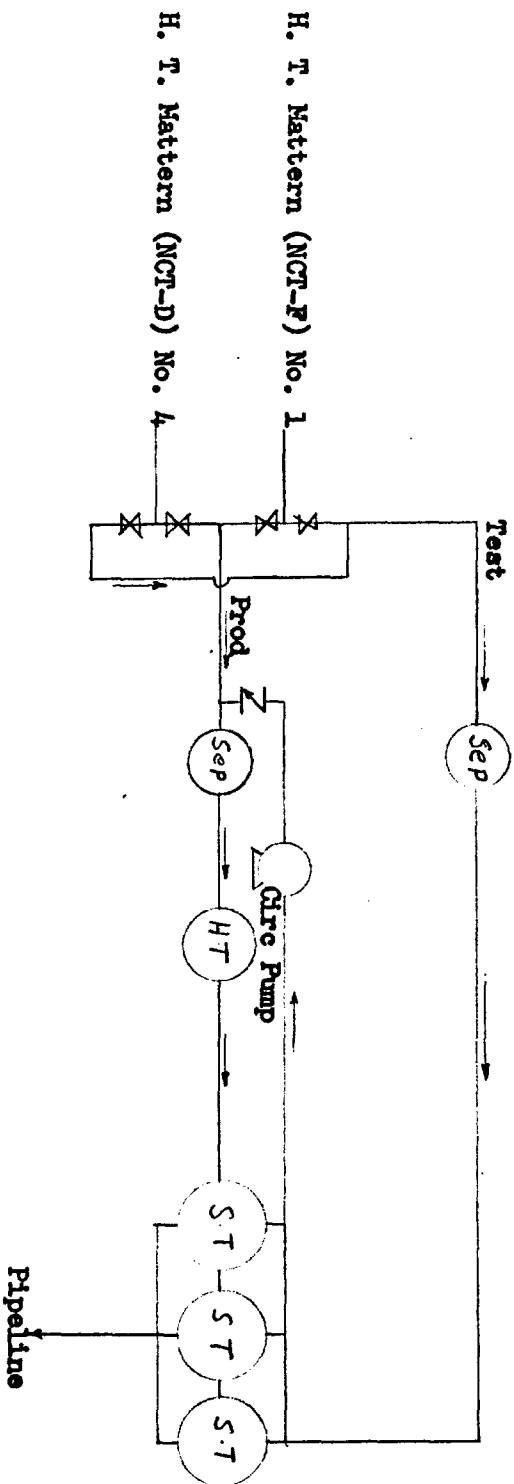
Current Well Test and 60 Day Production Information

	<u>Well Test BPD</u>	<u>Production, bopd</u>	
		<u>Nov.</u>	<u>Dec.</u>
H. T. Mattern (NCT-F) No. 1	18	16	15
H. T. Mattern (NCT-D) No. 4	22	21	15

Economic Analysis

	<u>BPD</u>	<u>Gvty</u>	<u>\$/Bbl.</u>	<u>\$/Day</u>
H. T. Mattern (NCT-F)	15	33.3	\$2.86	\$42.90
H. T. Mattern (NCT-D)	<u>18</u>	<u>33.0</u>	<u>\$2.86</u>	<u>\$51.48</u>
TOTAL	33	33.1	\$2.86	\$94.38
Difference				0

JLT:ptg
Hobbs, N.M.
2-24-69



Proposed Commingling Installation
 Gulf Oil Corporation
 H. T. Mattern (NCT-D) Lease