

Gulf Oil Company - U.S.

PRODUCTION DEPARTMENT
HOBBS AREA

C. D. Borland
AREA PRODUCT ON MANAGER

P. O. Box 670
Hobbs, New Mexico 88240

July 22, 1974

Re: H. T. Mattern (NCT-D) & (NCT-F)
Leases, Section 6-22S-37E and
Section 1-22S-36E, Lea County, N.M.

Mr. A. L. Forter, Jr.
New Mexico Oil Conservation Commission
P. O. Box 1980
Santa Fe, New Mexico 87501

Dear Sir:

Gulf recently drilled and completed the H. T. Mattern (NCT-D) No. 8 in the Drinkard Oil Pool. In order to avoid considerable expense to install and maintain a tank battery for this well, Gulf hereby seeks an exception to Rule 303-A to allow Gulf to surface commingle Drinkard oil production from the H. T. Mattern (NCT-D) No. 8, Unit E, Section 6-22S-37E, with the Drinkard oil production from the H. T. Mattern (NCT-F) No. 3, Unit A, Section 1-22S-36E, Lea County, New Mexico. The production from both wells is marginal and will be tested periodically for allocation of production.

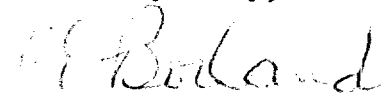
The attached tabulation shows volumes, gravities and monetary values of the liquid hydrocarbons from individual wells, as well as commingled production. The tabulation also shows total average daily production for a 60 day period for the H. T. Mattern (NCT-F) No. 3 and test production from the H. T. Mattern (NCT-D) No. 8.

The calculated revenue from the commingled production will be slightly more (\$1.83/day) than the total revenue from the individual wells.

Attached is a schematic diagram of the proposed installation along with a lease plat. Also attached is a letter of approval from Western Crude Oil, Inc.

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

Yours very truly,



C. D. BORLAND

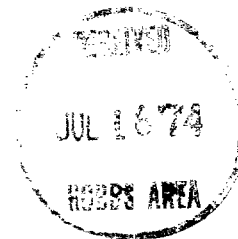
RDW:ptg
Att'd.

cc: Oil Conservation Commission, Hobbs, N.M.





Western Crude Oil, Inc.



John A. Mills
Manager/West Texas - New Mexico Division

July 12, 1974

Re: H. T. Mattern NCT-F
H. T. Mattern NCT-D
Drinkard Pool
Lea County, New Mexico

Gulf Oil Corporation
P.O. Drawer 1150
Midland, Texas 79701

Gentlemen: Attention: Mr. C. W. Briggs

This letter will confirm our verbal conversation whereby we advised that Western was agreeable to purchasing the production from the subject leases commingled into a common tank battery.

Settlement for the commingled production will be made on the same basis as that on the H. T. Mattern NCT-F.

We appreciate this business very much.

Yours very truly,


John A. Mills

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Gulf Oil Corporation
H. T. MATTERN (NCT-D) & (NCT-F) Leases
Section 6-22S-37E & Section 1-22S-36E
Lea County, N.M.

<u>Well and Pool</u>	<u>60 day Production Total</u>	<u>Average BOPD</u>
H. T. Mattern (NCT-D) #8 Drinkard *		132.00
H. T. Mattern (NCT-F) #3 Drinkard	5,493	<u>91.54</u>
		223.54

*Test Production

<u>Well & Pool</u>	<u>BFD</u>	<u>Gravity</u>	<u>\$/Barrel</u>	<u>\$/Day</u>
H. T. Mattern (NCT-D) #8 Drinkard	132.00	35.9	\$ 5.21	\$ 687.72
H. T. Mattern (NCT-F) #3 Drinkard	<u>91.54</u>	<u>34.9</u>	\$ 5.19	<u>\$ 475.09</u>
Total	223.54			\$1,162.81
Commingled	223.54	35.5	\$ 5.21	<u>\$1,164.64</u>
		Difference	+	\$ 1.83

GULF OIL CORPORATION
 SCHEMATIC DIAGRAM
 Proposed Commingling Installation - H. T. Mattern (NCT-D & F)

