

Gulf Oil Corporation

ROSWELL PRODUCTION DISTRICT

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W. A. Shellshear
DISTRICT MANAGER
F. O. Mortlock
DISTRICT EXPLORATION
MANAGER
M. I. Taylor
DISTRICT PRODUCTION
MANAGER
H. C. Vivian
DISTRICT SERVICES MANAGER

November 1, 1961

P. O. Drawer 1938
Roswell, New Mexico

Oil Conservation Commission
State of New Mexico
Post Office Box 871
Santa Fe, New Mexico

Attention: Mr. J. E. Whitfield

Gentlemen:

Reference is made to your letter advising our Hobbs, New Mexico office that a copy of Gulf's application dated October 17, 1961, for approval to commingle the production on the T. R. Andrews Lease should be sent to the Commissioner of Public Lands for the State of New Mexico. This was complied with on October 25, 1961, with a copy of the transmittal letter furnished to you.

Attached for your information is a copy of the Land Commissioner's letter approving this commingling. We trust that you now have sufficient information to process the application; however, if not, please advise.

Yours very truly,

W. A. Shellshear

W. A. Shellshear

Attachment
JHH:sz

cc: New Mexico Oil Conservation Commission
Post Office Box 2045
Hobbs, New Mexico



*to [unclear]
Harrison 10/30/61*

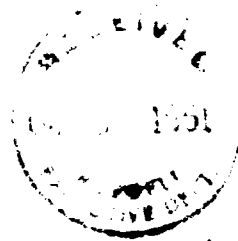
State of New Mexico

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ILLEGIBLE



Commissioner of Public Lands



E. S. JOHNNY WALKER
COMMISSIONER



October 30, 1961

*Harrison
Higgins
Harrison
file*

P. O. BOX 781
SANTA FE, NEW MEXICO

Gulf Oil Corporation
P. O. Drawer 1938
Roswell, New Mexico

Attention: Mr. W. A. Shellshear:

Dear Mr. Shellshear:

In reply to your request of October 25, 1961, we have your request to commingle the production from the $\frac{3}{4}$ of Section 32, T. 22 S., R. 32 E., Lea County, New Mexico, which acreage is held under your T. R. Andrews Lease (State Lease No. B-4467).

We have no objections to the commingling of any of the production from this acreage, since the entire $\frac{3}{4}$ belongs to the common schools of New Mexico, provided that it will not decrease the value of the production.

Since you state that the value of the commingled production would be higher than the non commingled production, we feel that the proposition would certainly be satisfactory with us.

Yours very truly,

E. S. JOHNNY WALKER
Commissioner of Public Lands

By: *Ted Bilberry*
Ted Bilberry, Supervisor
Oil and Gas Division

ESW:TB:eq

Gulf Oil Corporation

ROSWELL PRODUCTION DISTRICT

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W. A. Shellshear
DISTRICT MANAGER
F. O. Mortlock
DISTRICT EXPLORATION
MANAGER
M. I. Taylor
DISTRICT PRODUCTION
MANAGER
H. C. Vivian
DISTRICT SERVICES MANAGER

October 25, 1961

P. O. Drawer 1938
Roswell, New Mexico

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Commissioner of Public Lands
State of New Mexico
Santa Fe, New Mexico

Gentlemen:

Attached is a copy of Gulf's application to the Oil Conservation Commission requesting approval to commingle the production from the T. R. Andrews Lease (State Lease No. B-4467), E/2 Section 32, Township 22 South, Range 38 East, Lea County, New Mexico.

It may be noted in the application that approval has previously been given to commingle the Blinbry oil with the Blinbry and Tubb gas condensate. We are now requesting that the Drinkard oil also be commingled with the other production. It may also be noted that the value of the commingled production is slightly higher than the non-commingled production.

As you know, there is no diversity of royalty ownership in this lease and the beneficial institution is the Common Schools. Therefore, it is requested that you approve the commingling as set forth in this application. If you have no objection, will you please furnish this office a letter of approval with a copy to the Oil Conservation Commission's office in Santa Fe, New Mexico.

Thank you for your consideration in this matter and if any further information is needed, please advise.

Yours very truly,

W. A. Shellshear

Attachment
JHN:dd

cc: Oil Conservation Commission
State of New Mexico
Post Office Box 871
Santa Fe, New Mexico
Attention: Mr. J. E. Whitfield



OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

October 20, 1961

C
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P
Y

Gulf Oil Corporation
P. O. Box 2167
Hobbs, New Mexico

Attention: Mr. Z. C. Ballinger,
Area Petroleum Engineer

Gentlemen:

Reference is made to your application, dated October 17, 1961, in which you requested administrative approval to commingle the oil production from the Drinkard Pool with the oil production from the Blinbry Oil Pool and the condensates from the Blinbry and Tubb Gas Pools on your State T. R. Andrews Lease, comprising the E/2 of Section 32, Township 22 South, Range 38 East, Lea County, New Mexico.

Your attention is directed to Rule 303(b), paragraph 3, of the Commission Rules and Regulations, as amended by Order No. R-2060, which requires the applicant for a pool commingling facility to furnish to the Commission evidence that the Commissioner of Public Lands for the State of New Mexico has consented to the proposed commingling where State lands are involved.

In view of the fact that evidence that the Land Commissioner has consented to the proposed commingling has not been furnished, your application is being held in abeyance until such evidence has been furnished.

Very truly yours,

J. E. WHITFIELD
Legal Assistant

JEW/esr



PETROLEUM AND ITS PRODUCTS

GULF OIL CORPORATION

P. O. Box 2167
Hobbs, New Mexico

RC 29
FORT WORTH
PRODUCTION DIVISION

October 17, 1961

New Mexico Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Attention: Mr. A. L. Porter, Jr.

Dear Sir:

Oil Conservation Commission Order No. R-1708 granted Gulf Oil Corporation permission to commingle the Blinebry Oil with the Blinebry and Tubb Gas Condensates on the T. R. Andrews Lease. Recently, Gulf completed an oil well in the Drinkard Pool on the T. R. Andrews Lease and proposes to commingle the oil with the Blinebry Oil and Blinebry and Tubb condensates.

It is respectfully requested that Gulf Oil Corporation be granted permission to commingle the Drinkard Oil, Blinebry Oil and the Blinebry and Tubb condensates after metering. Enclosed is a schematic diagram showing the proposed method for commingling in accordance with the New Mexico Oil Conservation Commission "Manual for the Installation and Operation of Commingling Facilities" dated September 13, 1961. Also enclosed are copies of the lease plat and copies of a letter from Texaco, Inc. stating that they have agreed to purchase the commingled liquid hydrocarbons.

Tabulated below are the volumes, gravities and monetary values of the individual liquid hydrocarbons:

<u>Pool</u>	<u>BPD</u>	<u>Corr. Gvty</u>	<u>Value \$/bbl.</u>	<u>BPD x \$/bbl.</u>
Blinebry Oil	73	37.8	\$2.95	\$215.20
Drinkard Oil	33	38.6	2.97	98.00
Bl & Tubb Cond.	15.81 (avg)	57.4	2.79	44.10
			TOTAL	\$357.30

10-17-61

If the production from the above pools was commingled, it would have a combined monetary value of \$367.00 per day. Therefore, commingling would increase the monetary value of the liquid hydrocarbons from these pools by approximately \$9.70 per day.

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

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Yours very truly,

Z. C. Ballinger

Z. C. BALLINGER
Area Petroleum Engineer

CRK:ptg
Encl.

cc: Oil Conservation Commission
Hobbs, New Mexico

RECEIVED

SEP 28 1961

TEXACO
INC.

CRUDE OIL DEPT.

PETROLEUM PRODUCTS

CRUDE OIL PURCHASING & SALES DIVISION (DOMESTIC)

J. C. EDWARDS, MANAGER
J. A. MILLS, REPRESENTATIVE



MIDLAND TEXAS

September 27, 1961

ILLEGIBLE

Gulf Oil Corporation
T. R. Andrews Lease
Lea County, New Mexico

Mr. J. L. Pipes
Gulf Oil Corporation
P. O. Box 1150
Midland, Texas

Dear Sir:

This letter will confirm our recent conversation whereby Texaco agreed to purchase from a common battery the commingled production from the Blinebry Oil, Blinebry Gas, Tubb Gas and Drinkard Fields on the subject lease.

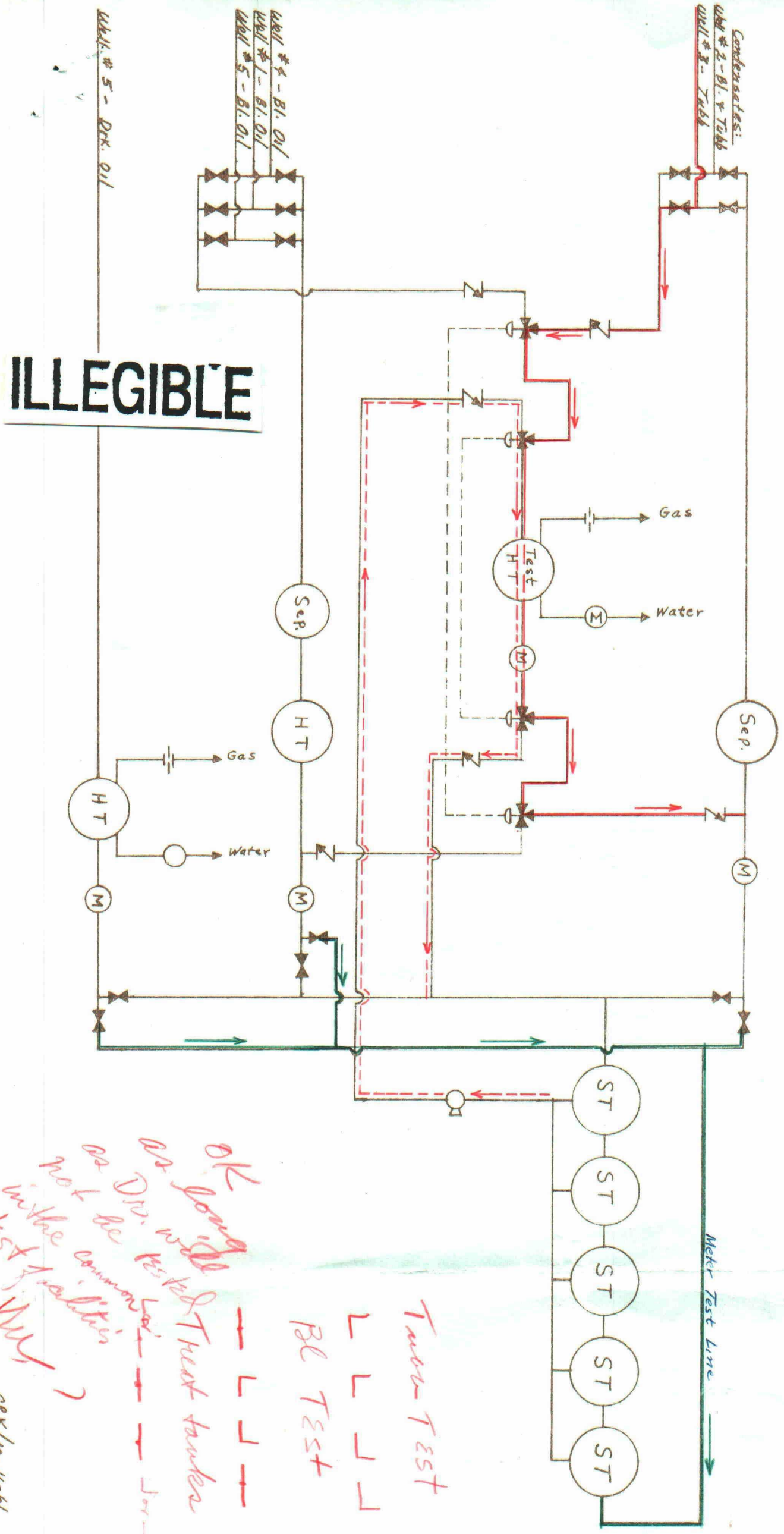
Settlement with Gulf will continue to be made under our 100 per cent division order, without tax deductions, on the basis of our posted price for New Mexico intermediate sweet (Bulletin 442), currently under Column 2, \$3.01 for 40 to 44.9 gravity.

Very truly yours,

J. A. Mills

JAM:FK

GULF OIL CORPORATION
 T.R. ANDREWS LEASE
 SCHEMATIC DIAGRAM - PROPOSED COMINGLING
 DRINKARD OIL, BLINERY OIL, BLINERY & TUBE CONDENSATES



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