

OIL CONSERVATION COMMISSION

P. O. BOX 871

SANTA FE, NEW MEXICO

ILLEGIBLE

November 1, 1961

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

Attention: Mr. J. M. Russell,
Area Production Manager

Administrative Order PC-41

Gentlemen:

Reference is made to your application, dated October 30, 1961, for administrative approval of an exception to Rule 103 (a) of the Commission Rules and Regulations to permit the commingling of production from the Wanta-Abe, Padlock, Pensero-Shelly, Drinkard and Blinney Pools on your Eunice King Lease located in Section 28, Township 21 South, Range 37 East, NEM, Lea County, New Mexico, after separately metering the production from each pool.

By the authority vested in me under the provisions of Rule 103 (b) of the Commission Rules and Regulations, you are hereby authorized to commingle the production from the Wanta-Abe, Padlock, Pensero-Shelly, Drinkard and Blinney Pools on the above-described Eunice King Lease after separately metering the production from each pool; provided however, that the installation shall be operated in accordance with the provisions of the Commission "Manual for the Installation and Operation of Commingling Facilities."

Very truly yours,

A. L. PORTER, JR.,
Secretary-Director

ALP/JEM/scr

cc: Oil Conservation Commission (with enclosure) - Hobbs
Oil & Gas Engineering Committee - Hobbs



PETROLEUM AND ITS PRODUCTS

GULF OIL CORPORATION

P. O. Box 2167
Hobbs, New Mexico

FORT WORTH
PRODUCTION DIVISION

October 30, 1961

Handwritten notes:
OK - done
10/31/61
1961
10/31/61
10/31/61

Mr. A. L. Porter, Jr.
Oil Conservation Commission
P. O. Box 871
Santa Fe, New Mexico

Dear Sir:

Oil Conservation Commission Order No. R-1787 granted Gulf Oil Corporation permission to commingle the Wantz-Abo, Paddock, Penrose-Skelly, and Drinkard oil production in the sour system after separately measuring the production from each pool. Recently, Gulf developed Blinebry Oil production on the lease and proposes to commingle this Blinebry Oil with the other four pays in the sour system.

It is respectfully requested that Gulf Oil Corporation be granted permission to commingle the Blinebry Oil with the Wantz-Abo, Paddock, Penrose-Skelly and Drinkard oils after metering. Enclosed is a schematic diagram showing the proposed method of adding the Blinebry Oil to the commingled sour system. This proposal for expanding the commingling facilities is 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 Shell Oil Company 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>API Corr. Gvty</u>	<u>Value, \$/bbl.</u>	<u>BPD x \$/bbl.</u>
Wantz-Abo	81	39.5	\$ 2.99	\$ 242.10
Paddock	162	35.9	2.91	472.00
Penrose-Skelly	156	36.2	2.93	457.30
Drinkard	47	38.1	2.97	139.50
Blinebry Oil	106	38.1	2.97	<u>314.80</u>
TOTAL				\$1,625.70

Mr. A. L. Porter, Jr.

- 2 -

10-30-61

If the production from the above pools was commingled, it would have a combined monetary value of \$1,628.40 per day. Therefore, commingling would increase the monetary value of the liquid hydrocarbons from these pools by approximately \$2.70 per day.

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

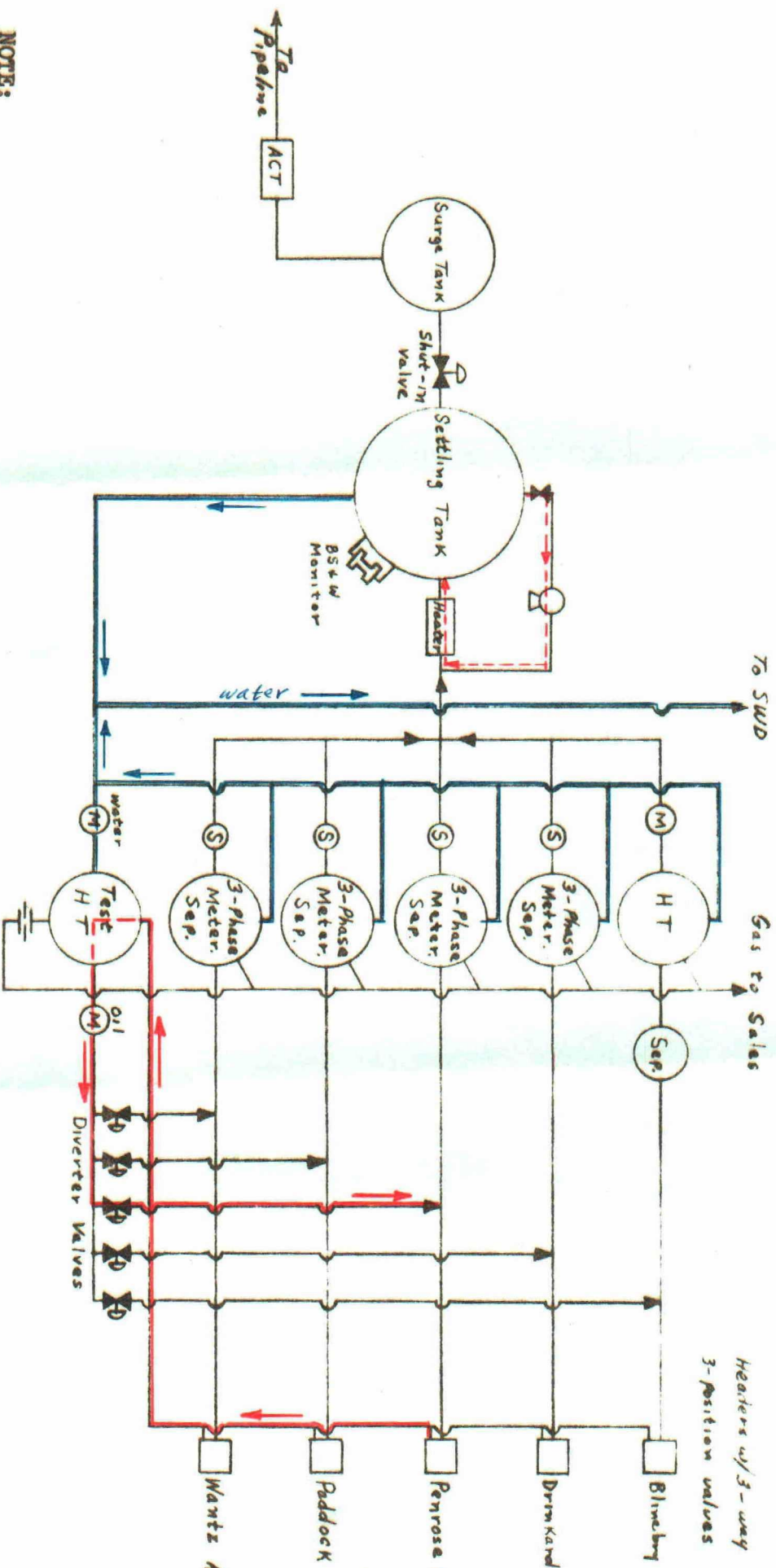
Yours very truly,



J. M. RUSSELL
Area Production Manager

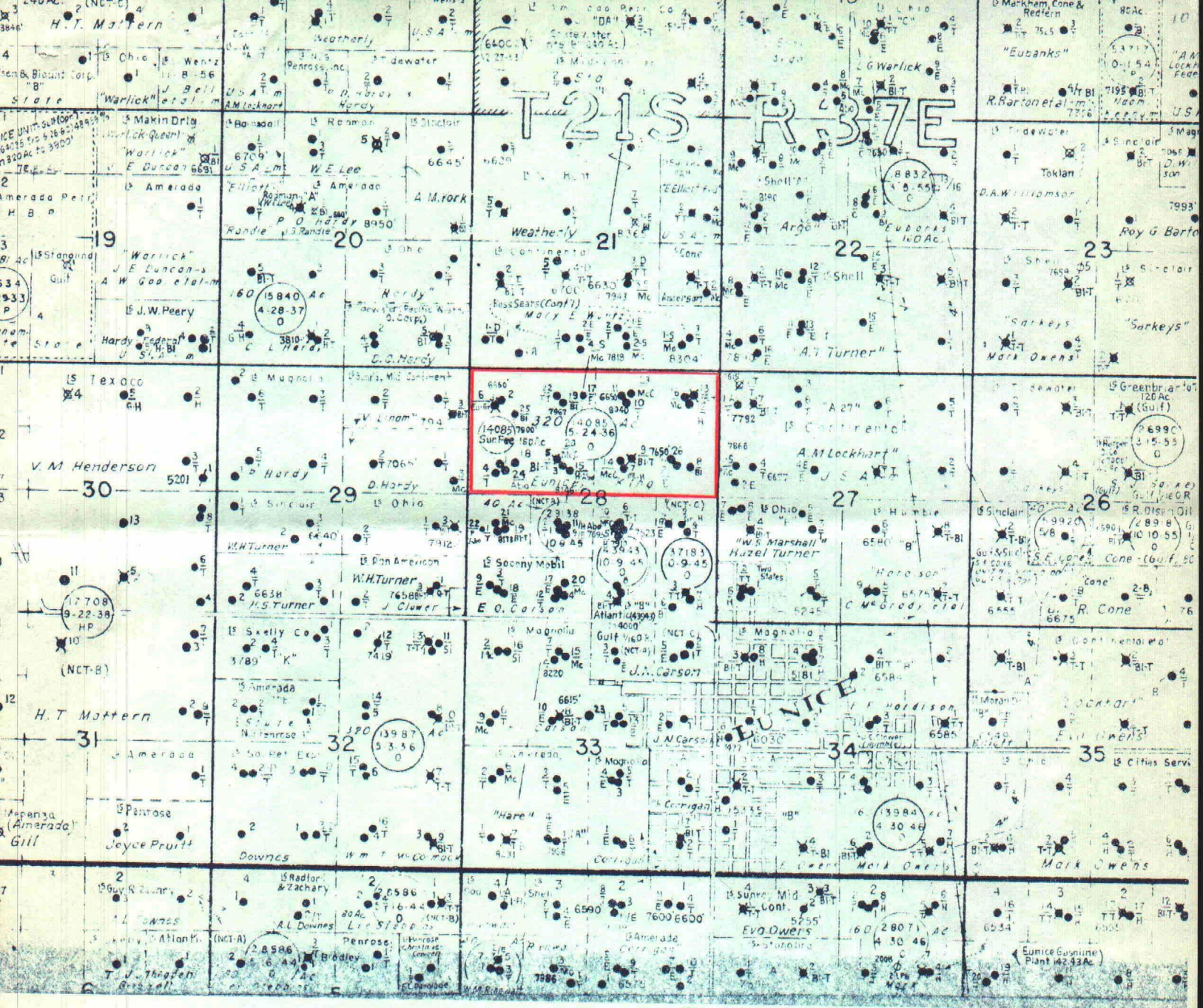
CRK:ptg
Encl.

GULF OIL CORPORATION
EUNICE KING LEASE
PRODUCTION FLOW DIAGRAM
PROPOSED ADDITION OF BLINERY OIL TO COMINGLED SOUR SYSTEM



NOTE:

The electro-pneumatic 3-way 3-position header valves and the 2-way 2-position diverter valves are fail-safe, and are actuated by a central control panel. The header valves from each pay zone are electrically interlocked with its respective diverter valve so that the oil production from any well being tested is rerouted back to its respective pay where it is metered before comingling. The programming is arranged in such a manner that only one well can be tested at any one time.



LEASE PLAT

EUNICE KING

Lea County, New Mexico



SHELL OIL COMPANY

PETROLEUM BUILDING

P. O. BOX 1509

MIDLAND, TEXAS

ILLEGIBLE

RECEIVED

September 27, 1961

SEP 28 1961

CRUDE OIL DEPT.

Subject: Gulf Oil Corporation
Eunice King Lease
N/2 of Section 28-21S-37E
Lea County, New Mexico

Gulf Oil Corporation
P. O. Box 1150
Midland, Texas

Attention Mr. J. L. Pipes

Gentlemen:

Reference your letter of September 26, 1961, regarding the purchase by Shell of present and future Blinbry Oil Pool production on subject lease.

As Shell is presently purchasing commingled production from the Drinkard, Paddock, Penrose Skelly and Wantz Abo Pool pay zones on this lease, we will, upon approval by the New Mexico Oil Conservation Commission, purchase the Blinbry Oil Pool production, commingled into tankage serving the above mentioned pay zones.

Yours very truly,

C. A. Nyhof
Crude Oil Department - Midland

LBB:JG